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Two ANC fighters, one carrying an AK-47 assault weapon, sprinting for cover on Tuesday during fighting with Inkatha members outside Johannesburg in which up to a dozen died.

### Clinton Pushes for More Air Strikes Against Serbs

Compiled by Our Staff From Dispatche

WASHINGTON - President Bill Clinton NATO air power to counter Bosnian Serbian aggression, and U.S. officials plan to-discuss it with NATO allies, a senior White House offi-

Mr. Clinton called two White House meetings Tuesday with his senior foreign policy advisers and promised an announcement. Between sessions, the official said the president favored "a more muscular approach" but Six UN-declared "safe areas" in Bosnia. With for broader use of air power to blunt Serbian

The official, who briefed reporters on condion Tuesday backed a major extension of tion of anonymity, said Mr. Clinton and his top foreign policy advisers had come up with a mixture of military and diplomatic initiatives aimed at bringing the Bosnian Serbs back to

the negotiating table.

He said Mr. Clinton was generally supportive of a proposal from UN Secretary General Butros Butros Ghali to expand the threat of

out giving details, the official said: "We are not The United States will be discussing its pro-

posals with allies, the official said. He said they would be taken to the North Atlantic Council, NATO's decision-making organization, for ideration "in the next few days." Although Mr. Clinton has spoken in recent

days of his desire to continue pursuing a diplomatic solution in Bosnia, his national security advances and pressure the Serbs to negotiate in good faith, according to news accounts here. This would amount to an endorsement by

Mr. Clinton of a letter sent Monday by the UN secretary-general, Butros Butros Ghali, calling on NATO to authorize air strikes to protect the six LIN-designated "safe areas" in Bosnia — Gorazde, Sarajevo, Tuzla, Stebrenica, Zepa and Bihac. The letter was sent to Manfred Worner, secretary-general of the North Atlan

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### Bosnian Serbs Are Testing the West, and Winning

By Daniel Williams

were poised to conquer the eastern Bosnian town of Srebrenica and drive out its Muslim population. Their campaign was stymied by the intervention of General Philippe Morillon, the French United Nations commander at the time, who went to Srebrenica with a handful of peacekeepers and all but dared the Serbs to proceed.

The Serbs backed off, and Srebrenica's fall was averted. In February, the Serbs silenced or withdrew their artillery from around Sarajevo in the face of NATO threats to bomb. Washington and the West hailed the result as a victory of resolve.

With Görazde, the Serbs seem to have understood the limits of Western action. Their unpunished attack of a UN-declared

Now, the Serbs have all but overrun Gorazde, another Muslim town in the east, and neither bombs nor warnings nor

**NEWS ANALYSIS** 

pleas from the West have deterred them. Suddenly, the fear shown by the Serbs in Srebrenica and Sarajevo has evaporated, and a year's worth of threats and pledges by the Clinton administration, the United Nations and the North Atlantic

"safe haven" has revealed the basic imbalance in purpose and resolve between the Serbs and all the outside powers involved in Bosnia - particularly Washington.

From the day the war began two years ago, the Serbs have not wavered from their strategic goals: to conquer as much land in Bosnia as possible, expel the Muslims and at some point join their territory to Serbia. Disruptions in that drive,

See BLUFF, Page 4

### Serbs Retake 18 Anti-Aircraft Guns Near Sarajevo

Treaty Organization have come undone.

SARAJEVO, Bosnia-Herzegovina - The Bosnian Serbs stepped up their confrontation with the United Nations on Tuesday, seizing 18 anti-aircraft guns from UN control near Sarajevo and shelling UN installations in Gor-

They have removed 18 anti-aircraft weapons." a UN spokesman, Major Dacre Holloway, told Reuters.

The weapons were seized from a collection point at the Bosnian Serbs' barracks at Lukavica, just outside Sarajevo, the spokesman said. It was unclear where the weapons had been taken. But the UN commander said late Tuesday that the Serbs had returned four gnns and promised to return the others overnight on orders from Radovan Karadzic, the Bosnian

"We have confirmed that they are now moving back to under our control," said the commander of UN forces in Bosnia, Sir Michael Rose, "They have been ordered back by Kar-

At the same time, 21 UN personnel detained by Bosnian Serbian forces were released Tues-

day, a UN spokesman said. Five were UN military observers and the

other 16 were peacekeeping troops from Canada, said the spokesman, Eric Chaperon.

Earlier Tuesday, Mr. Karadzic said there would be a "terrible war" if NATO launched fresh air strikes against Serbian positions in Bosnia-Herzegovina. "It would be a terrible escalation, a terrible

war," Mr. Karadzic told reporters when asked what would happen if NATO launched air strikes to stop the Serbian assault on the eastern Bosnian town of Gorazde.

"If there are going to be any air strikes there is going to be a war," he said.

NATO jets bombed Serbian forces attacking Gorazde in two raids on April 10 and 11. On Samrday, the Serbs shot down a British Sea Harrier fighter jet over Gorazde as it was attempting to attack a Serbian tank.

Commenting on the taking of the anti-air-craft weapons on Tuesday, a UN Protection Force spokesman, Major Rob Annink, said: They are very much afraid of further air

He said armed Serbs had "showed up in force" to take the weapons at Lukavica, and See BOSNIA, Page 4



Sefko Omerbasic, a Muslim leader, at a Zagreb protest Tuesday over Gorazde's fate.

## South Africa's Hopes For a Calm Election Rise as Zulus Agree To Call Off Boycott

By Paul Taylor and William Claiborne

PRETORIA - În a dramatic development just a week before South Africa's first democratic election, Chief Mangosmhu Buthelezi, president of the Zulu-based Inkatha Freedom Party, called off his election boycott Tuesday, raising hopes that election-related violence can be reduced.

Chief Buthelezi signed an election participation agreement with President Frederik W. de Klerk and the African National Congress president, Nelson Mandela. The agreement was en-dorsed by King Goodwill Zwelithini of the Zulus, who until now had been instructing his 8 million subjects not to vote.

The accord, brokered over the past four days with the help of a visiting mediator from Kenya, provides for a constitutional guarantee of the continuation of the Zulu monarchy in the post-apartheid South Africa, and for postelec-tion international mediation on outstanding differences over the powers of regions.

The terms are not substantially different from those that have been available to Chief Buthelezi for months, leading many analysts to conclude that he finally realized his spoiling tactics were not going to force the postponement he had been seeking in the election date.

The breakthrough — after months of failed talks and spiraling political violence — was greeted with jubilation by a nation that has a bad case of pre-election jitters. People hugged each other in the corridors of the legislative building of the Buthelezi-led black homeland of KwaZnin, and stocks rose up by 2.6 percent on the stock exchange in Johannesburg.

I think Mr. Buthelezi looked over the brink and blinked," said Robert Schrire, a leading political scientist.

Inkatha is the 19th party on the national ballot, and its participation leaves only one major political organization, the Conservative Party, outside the first election in South Africa's history in which blacks as well as whites will be able to vote.

South Africa may well have been saved from disastrous consequences of unimaginable proportions," Chief Buthelezi said.

Mr. Mandela added: "Nothing is more precious than saving lives.'

Both leaders acknowledged that the political killings would not end overnight. Their sup-porters have been engaged in a low-intensity civil war for the past decade. It began over differences in tactics on how to oppose apartheid, and has reached deadlier levels in recent years as a political turf war over the spoils of the first black-led government expected to come to power after next week's vote.

Chief Buthelezi, who until a decade ago was frequently touted as South Africa's first black ident, has been on the losing end of this battle. He has been no match for Mr. Mandela's popularity, or the martyrdom that came from serving 27 years in prisons. Many independent analysts say he is on sound intellectual footing with his argument for a federal state with more devolved powers, but his own intransigent bargaining style has his chief obstacle during two

years of constitutional negotiations.

Polls suggest that his Inkatha party is unlike ly to break out of single digits in the national balloting, and may not even be able to carry its regional base KwaZulu-Natal.

Chief Buthelezi's negotiating alliance with white rightist groups has further croded an already weakening political base. Two months ago, he played the ethnic card, allowing his nominally apolitical nephew, King Zwelithini, to add his voice to the call for a boycott.

King Zwelithini said he would settle for nothing less than a sovereign Zulu nation. In

fact, he has settled for the same ceremonial trappings of royalty that he already enjoys within KwaZulu -- expanded slightly to cover a new region of KwaZulu/Natal.

By getting in at the 11th hour, Chief Buthe-lezi has confounded critics who said he would never participate because he feared electoral bumiliation. One contrarian view holds that his boycott has kept him in the news much more

than any campaign would have.

Even better, this view holds, the long boycott has given Chief Buthelezi an "out"; if he does badly next week, he can always say his late

Election monitors hope Inkatha's participation will remove the greatest potential trigger for violence on the days of voting. Had the boycott persisted, in villages where Inkatha is , the act of voting would have been a seen as a declaration of support for the opposition.

### Trying to Reassure Public, Israel Seizes 300 Militants

By David Hoffman

Washington Past Service
JERUSALEM — Israeli security forces have detained more than 300 activists in the militant Islamic movements Hamas and Islamic Jihad in recent days, reacting to a string of violent attacks against Israeli targets.

It was the largest dragnet against the Islamic groups since the 1992 deportation of 400 activists to southern Lebanon, when more than 1,000 were detained and arrested.

The arrests, carried out by the army and the Israeli internal security service, were made across the West Bank and Gaza Strip, but appeared to be centered in Gaza, where the

Islamic movements are strongest. Palestinian and Israeli sources said the arrests were directed at younger activists - many in their late teens and early 20s -- rather than the older leaders of Hamas who were deported

The army has not said whether it captured any of the members of the armed wing of Hamas, small cells of fugitives who in recent leaflets have taken responsibility for the attacks on Israelis.

Palestinian sources said 65 Islamic activists were arrested in their homes in the early hours of Tuesday in the Gaza Strip, bringing the total number of Gazans detained in recent days to more than 200.

In Hebron, Palestinians said 25 were arrested, and the remainder were taken from other locations in the West Bank. Among those arrested in Hebron were several prominent Islamic personalities, including Taysir Tamimi, prayer leader at the mosque. Mahmoud Zohar, a physician who has been a

spokesman for Hamas, denied that those arrested had been Hamas activists and said that Palestinians would not respond to pressure tactics by Israel. The army said weaponry was also confiscat-

ed in the house-to-house searches but it did not provide details. The detentions came after two suicide car-

bomb attacks in Afula and Hadera for which Hamas, the larger of the two groups, took responsibility. There was also a shooting attack at a bus stop in Ashdod and a hatchet assault this week on bus passengers in Jerusalem. Hamas has said the violence against civilians is revenge for the Hebron mosque massacre in which 29 Muslim worshipers were killed by a militant Jewish settler.

The Israeli crackdown appeared to be part of an effort by Prime Minister Yitzhak Rabin to issure a jittery public.

"We will fight those who continue terror with all the means that are available to us," Mr. Rabin said. "The only limitation is the limita-

#### Kiosk

### Kohl Sees 'Springtime' for Economy

HANNOVER, Germany (Reuters) — Chancellor Helmut Kohl said Tuesday that "springtime" had come for the German economy after its worst postwar recession. But another leading business group, the Federation of German Wholesale and Foreign Trade, struck a more cautious note, In an election-year speech at the opening of the Hannover Trade Fair, Mr. Kohl said

rising industrial production, increased or-ders from abroad and a turn for the better in domestic business showed recovery had begun. "It is undeniable that springtime has come for the economy," he said. Michael Fuchs, president of the business

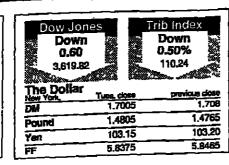
federation, said that a pickup in the domes-tic economy would take time even though exports and imports should rebound.

### Rodney King Awarded \$3.8 Million

LOS ANGELES (Combined Dispatches) - A jury on Tuesday awarded \$3.8 million in damages to Rodney King, the black mo-torist whose beating by white police officers ultimately led to the 1992 Los Angeles riots.

The award was below the \$15 million sought by Mr. King in compensatory damages but above the \$800,000 the city said was fair. A second phase of the trial will deter-(Reuters, AP) mine punitive damages.

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### Nixon Partly Paralyzed and Unable to Speak After Suffering Stroke

NEW YORK - Former President Richard Nixon was partly paralyzed and unable to speak Tuesday after suffering a stroke.

Mr. Nixon, 81, was stricken Monday evening at his home in Park Ridge, New Jersey, and was taken by ambulance to the New York Hospital-The paralysis affected his right side. "He has

just a little movement in his foot, on the right side," said Elizabeth Johnston, a press aide. "There is no speech as of yet."

Mr. Nixon's physician, Dr. Michael Gior-dano, said, "It is hoped, but uncertain, that he will have improvement in his neurologic condition. No dramatic changes are anticipated in his condition over the next several days." Mr. Nixon's daughters, Tricia Cox and Julie Eisenhower, and the Reverend Billy Graham, a longtime friend, went to his bedside. Mr. Nixon's wife, Pat, died last year.

Hundreds of people called the hospital and the Nixon home to offer good wishes, an aide, Kim Taylor, said. "There has been an incredible outpouring of support from senators, world leaders and just ordinary people," she said. Mr. Nixon was the nation's 37th president

avoid impeachment, he resigned in the middle of his second term amid the Watergate scandal. becoming the only president to ever resign from

He came to the presidency after nearly a quarter-century as a Republican office-holder congressman, senator and vice president under Dwight D. Eisenhower. (AP, Reuters)

### At Citibank, a Story of Good Friends and a Great Deal

By Nathaniel C. Nash

BUENOS AIRES — Two years ago, when Citicorp was in financial trouble and its chairman, John Reed, was battling to save his career, he turned for help to Argentina and to his old friend, H. Richard Handley, president of Citibank Argentina.

The bankers, who spent childhood years in Argentina, had a special relationship. They liked to sit in Mr. Handley's office, bantering in Spanish and plotting the Latin American strategy

It was from that friendship that they conceived a plan that some in the financial district of Buenos Aires call "the deal of the century." It helped raise about \$450 million for the bank, but it also made some of the executives' friends very rich. The deal was possible because over a live-year period, Mr.

Handley took Argentine government bonds held by the bank, which at one point were worth 11 cents on the dollar, and swapped them for stock in several government-run monopolies. The government was only too happy to take the bonds because they represented money it owed to the bank. And

selling stock in several large state-run companies was one way to eliminate a drain on the national treasury.

Mr. Handley placed the stock in a separate Citibank investment company. Then, when the stock values began to climb, Mr. Handley sold pieces of the investment company to his friends at what look like bargain prices today. To manage the investment company, he installed two of his

young lieutenants and gave them and a small group of managers a pay package that will likely exceed \$110 million over five years. Many say that will enable them to make far more money than Mr. Reed has ever made at the bank. This payout will permit them to use fees and bonuses to buy. a piece of the investment company that is now worth \$205 million, for \$80 million. Some of the investors stand to make

hundreds of millions of dollars. What's more, they will have to

put up little if any of their own money to buy it.

No one accuses Mr. Handley or Mr. Reed of any wrongdoing. Indeed, their plan allowed the bank to convert nearly worthless Argentine bonds into cash. "Why didn't any of the other banks do what we did?" Mr.

Handley asked thetorically. "A lot of people didn't have the

guts or the vision for it."

Business leaders in Buenos Aires say privately that Mr.

Handley could have made \$500 million more for Citicorp and its shareholders and less for his friends if they had either

delayed the sale of the investment company or pushed for a

But Citicorp dismisses that talk as Monday morning quarterbacking. At the time of the first sales, there was as good a chance that the value of Argentine investments would fall as that they would rise. Once the value of Citicorp's bond portfoho had been recouped by swapping the bonds for stock, it made sense for the bank to collect some of its money. Besides, Citicorp needed the funds back home to bolster its capital.

John Morris, a Citicorp spokesman, said the selling prices were the best we could achieve under the then-current market conditions and the time frame for completion of the sales." Mr. Handley said the bank was also under pressure from

See DEAL, Page 4

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### Kohl Blocked in Bid to Win Consensus on a President

BONN — With a special assembly to choose a new German president only about a month away, Chancellor Helmut Kohl's hand-picked candidate is still not assured of solid backing by the government's junior coalition partner, according to leading politicians

Mr. Kohl selected Roman Herzog, 60, the president of the Federal Constitutional Court in Karlsruhe, after his previous choice. Steffen Heitmann, the Saxon minister of justice, had to withdraw because of an uproar over a series of controversial statements about the German past, ethnic conflict and the role of women in the home.

Mr. Herzog, a grandfatherly figure from Bavaria who has sought to be more reassuring about the role he would play in the largely ceremonial post, is not well

In interviews, leaders of the Free Democrats, the junior members of Mr. Kohl's coalition, said this week that some members of the coadilate the conditates and the coadilate the conditate that control the coadilate that coadilate the coadilate that control the coadilate that coadilate the coadilate that c support of the candidate the opposition Social Democrats nominated for the presidency, Premier Johannes Rau, 63, of North Rhine-Westphalia.

Some say they believe they could do this when the assembly meets May 23 without bringing about a had unsuccessfully urged support for Richard collapse of the coalition because the Free Democratic leadership pledged last week to campaign in the Oct. 16 national elections on a platform of continuing the alliance with Mr. Kohl's Christian Democrats if they

As a possible compromise, there have also been suggestions of another candidate all parties could back without losing face. Among the names have been mentioned are Kurt Masur, the conductor of the Leipzig Gewandhaus orchestra and now of the New York Philharmonic, and Walther Leisler Kiep, a wide-

other politicians in the running, heads an organization that promotes trans-Atlantic understanding, the At-

Asked about this suggestion, Mr. Heitmann, who Schröder, a politician from East Germany, said: "I believe the best chance to nominate an all-party candiparties are committed to candidates, and since the Free Democrats have said they would continue the coalition, I don't have much doubt that Roman Her-

zog will be elected."
"I admire Walther Leisler Kiep as a distinguished figure whose commitment to the people of East Germany in the darkest day's of the country's division is

Kiep could still be in the running. The Free Democrats would play a pivotal role because the 1,324-member presidential assembly is chosen proportionally to reflect party strengths, and because there is said to be considerable unhappiness among Christian Democratic members of parliament, who will also be members of the assembly, about Mr. Herzog.

In the first two ballots, when an absolute majority is required to win, the Free Democrats plan to support a candidate of their own, Hildegard Hamm-Brücher, a 72-year-old former government minister. But on the third ballot, the candidate who wins the largest number of votes wins. The Free Democrats could hold the balance if they all decided to back one candidate.

—CRAIG R. WHITNEY

### Army Shells Refugees At Stadium In Rwanda

By Donatella Lorch

New York Times Service NAIROBI -- More than 10 people were killed and hundreds wounded Tuesday as Rwandan Army troops shelled the national stadium in Kigali where more than 5,000 Rwandans had sought refuge, United Nations military and Red Cross officials said.

The attack underscored the intensifying war between the Rwandan Army and the rebel Rwandan Patriotic Front, which have been fighting for control of the capital since April 6.

On Tuesday morning about 30 shells slammed into Amahoro Stadium where refugees had been trapped without food for more than a week. Heavy artillery and small arms fire continued through the day. Red Cross officials said they managed to evacuate 33 seriously wounded people and distributed 25 metric tons of food to refugees in the stadium.

Unconfirmed reports say fighting has broken out in and around certain refugee camps near the Burundi border and that anarchy is

spreading throughout the country.
As of Monday, all phone lines in Rwanda appeared to have gone dead, completely isolating the country. Despite the past weeks of chaos and butchery, phones had continued to function, permitting Rwandans to reach out to aid workers, human rights officials foreign embassies and friends to tell of massacres and fighting.

There are now only two working satellite phones in Kigali, one be-longing to the Red Cross and the other to the United Nations. Both organizations have very little access to areas away from their compounds, and relief officials and dipomats are concerned that they will e in the country

The situation appears to be getting worse rather than improving," said Abdul Kabia, the executive director of the UN mission in Rwanda, to Reuters in Kigali. "We overnight trains starting May 1. are continuing to talk to both parties, but our efforts have stalled and we're not getting anywhere. We find that the positions of both parties are hardening."

Almost two weeks of fighting and massacres have left tens of thousands of dead and created hundreds of thousands of refugees The bloodletting began on April 6 when the presidents of Rwanda and Burundi, both Hutus, were

killed in a suspicious plane crash. Although politically motivated it triggered centuries-old tribal hatred between the government-domted Hutus and the minority Tutsis. Hard-line Hutu extremists immediately killed members of a moderate transitional government that had incorporated many Tutsis. The mostly Tutsi Patriotic Front mounted an attack on the capital, and thousands of others, mostly Tutsis, have been killed in massa-

The roughly 2,000 UN troops in Rwanda were originally brought there to monitor a cease-fire that has long since been broken between the government and the rebels. Since the fighting broke out, they have been forced to helplessly witness massacres. With limited freedom of movement in Kigali, they are virtually stranded. There is included the promise of a loan to a food shortage in all the UN-controlled areas in Kigali, and the boost trade ties between the two United Nations is sharing food with the refugees in the stadium.

On Monday, the UN Security Council said the UN mission

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South Africa(CC)

### WORLD BRIEFS

#### New Air Rules in Iraq After Blunder

ELMENDORF Air Force Base, Alaska (Reuters) - The Defense Department revised its rules of engagement in Iraq on Monday in an attempt to avoid the fatal blunder that killed 26 people last week. Defense Secretary William J. Perry said procedures for identifying slow-moving helicopters before attacking them were now more detailed. It will take longer to shoot down a helicopter than a plane in the "no fly"

zone set up by the allies over northern lraq to protect Kurds from the We have revised the Iraq procedures," he told reporters traveling with him to South Korea before making a refueling stop here. He declined to

be specific on the new rules. The fighters wrongly identified the craft as Iraqi helicopters believed to be violating the no-fly zone.

#### Bomb Attack Wounds 13 in Tehran

TEHRAN (Reuters) - A bomb destroyed five cars at a busy intersection in central Tehran on Tuesday, wounding 13 people. Tehran radio blamed Iraq for the attack.

"Reliable security sources say the Iraqi regime has recently sent four bombers to Iran and today's blast was carried out by these saboteurs," the

Iran has blamed Iraqi agents for explosions in Tehran and other cities in the past, including truck bombs that killed scores of people in the capital in the 1980s. The bombings started soon after the 1979 Islamic Revolution and peaked during the Iran-Iraq War from 1980 to 1988.

#### Toxic Chemicals Up, Pollution Down

WASHINGTON (AP) — The amount of toxic chemicals generated by U.S. industry increased slightly in 1992, but fewer of the pollutants were released into the environment.

The Environmental Protection Agency reported Tuesday that industry generated 37.3 billion pounds (16.8 billion kilograms) of toxic chemicals in 1992, an increase of 0.5 percent from the year before. But chemicals released into the environment were down 6.6 percent, to 3.2 billion

The agency issued a list of the 10 companies that released the most toxic chemicals into the environment in 1992. DuPont led with 239.6 million pounds, followed by Freeport-McMoran, American Cyanamid, Monsanto, Asarco, Renco, Vulvan, Arcadian Fertilizer, Eastman Kodak

#### **Army Warns Indonesia Labor Chiefs**

MEDAN, Indonesia (Reuters) - Protesters rampaged through factories in Sumatra's industrial areas on Tuesday, tearing apart a dollclothes factory and wrecking cars in the sixth day of labor-related protests. Labor activists said two of their leaders had been arrested, and their branches across the country were warned by soldiers against sympathy strikes.

Many of our branch leaders were approached by soldiers making threats and frightening them into not taking part in action, particularly in the Jakarta area," said one unionist at the independent Indonesia Labor Welfare Union, which organized Medan's initial strike last week.

After an imeasy calm after earlier riots in which at least one person was killed and more than 100 people arrested, violence flared again here on Tuesday. A Reuters photographer saw several factories southeast of Medan badly damaged after groups of youths climbed fences and gates to attack factories which had resumed production. There were no reports of

#### Only a Third of Voters Like Balladur

PARIS (Reuters) - Only a third of French voters prefer the conservative government of Prime Minister Edouard Balladur to its Socialist

predecessor, according to an opinion poll published Tuesday.

The survey, published by Le Monde, showed 32 percent rated Mr. Balladur higher than the previous incumbent, Pierre Beregovoy, while 23 preferred Mr. Bérégovoy. But almost half -45 percent - said there was nothing to choose between the two or that they had no opinion.

Mr. Balladur's public approval rating has slumped from a peak of around 65 percent to about 42 percent since he yielded to street demonstrations against various government policies.

#### TRAVEL UPDATE

New Tagus Bridge Due Near Lisbon
LISBON (AFP) — French and British companies and five Portuguese concerns have won the contract to build a second bridge across the Tagus River, Portuguese Public Works Minister Joaquim Ferreira do Amaral

have little to no information about said Tuesday.

The toll bridge will have six lanes and will span 17 kilome from Montijo on the southern bank of the river to Sacavem east of

Smoking will be banned by Austrak, the U.S. passenger-train network, on short-and medium-distance daytime trains and some long-distance

Motormen on the London Underground network are being issued with the kind of sunglasses favored by film stars. The aim is to cut the dazzle when trains surface from tunnels into bright daylight. Western embassies in Sri Lanka are warning tourists about threats

from a relatively unknown rebel organization, Ellalan Force, which took responsibility for recent bomb attacks against hotels, diplomats said

Malaysia's second airline, Air Asia, hopes to start scheduled services in the region by October, an official said Tuesday. No destinations were announced pending government approval.

#### China Prime Minister, in Uzbekistan, Calls for Renewal of the 'Silk Road'

TASHKENT, Uzbekistan - for Beijing's policy of containing called here Tuesday for a "new Silk Road" establishing closer trade links between China and Central Asia and pledged fresh economic of worry for Beijing. assistance to Uzbekistan to start it

"In the past, the Silk Road joined China and Uzbekistan tobuild a new Silk Road."

Mr. Li said he and Uzbekistan's president, Islam A. Karimov, had signed economic and trade agreements. Details were not made public, but officials said one accord Uzbekistan from China to help countries.

In remarks to reporters, Mr. Karimov praised China's economic reforms and said Beijing had a key could reach an a peace agreement. preted here as a signal of support two chances to land Tuesday.

Prime Minister Li Peng of China
Turkic-speaking ethnic Uighur
called here Tuesday for a "new Silk separatists in the northwestern Chinese province of Xinjiang. The Uighurs have been a major source

#### Clouds Keep Endeavour gether," lie said. "Now we want to In Space an Extra Day

distor

The Associated Press HOUSTON - The Space shuttle Endeavour and its crew of six astronauts stayed in orbit an extra day because of bad weather at the Florida landing site, the U.S. space agency said Tuesday.

Low, dark clouds scuttled a first attempt to land at the Kennedy Space Center and skies did not clear enough for a second attempt one orbit, or one and a half hours, would remain in Kigali only if the part to play in development of Cen-government forces and the rebels tral Asia. His remarks were inter-was shaped, there were only the

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Prime Minister Promises Anti-Corruption Measures in Spain

Prime Minister Felipe González of Spain being applauded by Socialist legislators Mr. González, whose government has been burt by corruption scandals, promised and cabinet members Tuesday after his state of the nation address in parliament. new measures against corruption, including the naming of special prosecutors.

### Berlusconi Testifies in Inquiry on Shopping Center

TURIN — The business tycoon Silvio
Berlusconi, expected to be Italy's next prime built as a joint venture between Mr. Berlusminister, testified on Tuesday before an Ital- coni's Fininvest group and the French com- Gianni De Michelis, the former foreign the Socialist Party. corruption involving one of his companies.

Mr. Berlusconi, who led the rightist Freedom Alliance to victory in general elections last month, made no comment to journalists as he entered the magistrates' offices here.

The magistrate Marcello Maddalena summoned Mr. Berlusconi last week to testify in Mr. Berlusconi opened the main section of

the center last year.

Political parties are suspected of having demanded about 2 billion lire (\$1.2 million) in kickbacks for approval of the center. Several local politicians already face charges over the affair.

The ANSA news agency said last week that there was no evidence that Fininvest had

short by Italy's corruption scandal, has re- from 1989 to 1992, had been on leave of Reuters reported in Venice.

"I'm a little rusty," Mr. De Michelis was quoted as saying in Corriere della Sera newspaper on Tuesday. "Til have to study up on part-time lecturer. the material as it's been such a long time since I last taught."

It involves the construction of Europe's had paid bribes over the shopping center. chemistry on Monday at the University of Venice, where he had worked from 1964 to 1976, when he won a seat in Parliament for

> turned to his former job teaching chemistry, absence from the university and was entitled to return after losing his seat in Parliament in the elections last month

He will earn about \$1,800 a month as a

He could face four years in jail if convicted in a trial that began last month over alleged Mr. De Michelis returned to teach organic illegal payments to his Socialist Party.

"There will be no rebellion, no

civil war, no breakdown of law and

### Israeli Soldiers Who Balk: Line Forming on Right

By Clyde Haberman New York Times Service

JERUSALEM - In Israel, where the army is respected to the point of veneration, soldiers rarely refuse to carry out orders.

There have been exceptions, conspicuously some Israelis on the po-litical left who refused to take part



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34, qual General-Gulsan 1211 Geneva 3 Tel.: [41-22] 311 13 44 Telex: 421550 - Fax: 311 13 50 ferred jail to such service.

Now, in one of the rare instances in the country's history, calls for conscientious objection are coming from the right, and they have deepened the political and religious schisms already apparent in Israel as it prepares to turn over authority to Palestinians in Gaza and the

West Bank town of Jericho. The dispute focuses on a proclamation by three influential rabbis, including a former Ashkenazi chief rabbi, who recently reaffirmed a ruling made last year that said religious law required soldiers to defy any army order to evacuate Jewish settlers from the territories. "You must refuse it as you would refuse an order to eat pork," said the former chief rabbi. Avraham Shapira.

Former Prime Minister Yitzhak Shamir joined the fray by saying that a soldier must disobey any command to remove Jews "from the homeland" because that would be equivalent to an order to kill his

Reactions from the authorities were swift and angry. To Prime Minister Yitzhak Ra-

in the 1982 invasion of Lebanon or bin, such calls for defiance set in the roughly 140 Jewish communiterritories captured in the 1967 to service in the West Bank and motion "the destruction of the Istics in the territories would not be war, is divinely ordained. Gaza Strip. About 300 men pre- raeli Defense Forces and the secu- touched during an interim period rity of the state."

Even many rightist allies of Mr. Shamir, although agreeing with him that Israel must hold onto the gested so strongly that settlements territories, said he and the rabbis had gone too far.

For now, the arguments float in the realm of the hypothetical.

Mr. Rabin says moving settlers - including those of the highly disputed Jewish enclaves of He-bron in the West Bank — is not on his immediate agenda. Moreover, this country is simply not built for mass conscientious objection. With relatively few exceptions, even the most bitter opponents of the Leba-non war and the post-1967 occupation of the West Bank and Gaza bit their lips and did their army duty. Still, what is hypothetical now

may not stay that way. On the eve of the country's Independence Day last week, Mr. Ra-bin allowed that he would be ready in the future to "take down settlements" for peace with the Arabs. He offered no details, and a spokesman insisted that nothing had changed in the official line that

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of Palestinian self-rule.

Nonetheless, it was the first time order in the military," said Yoram that the prime minister had sug-

Davar and a specialist in the relamight not last forever, and it is tionship between the Israeli Army likely to increase the calls to civil and politics. "But what the rabbis bedience from rabbis and oth- have done presents some people ers who assert that populating the with spiritual, moral and ideologibiblical Land of Israel, including cal dilemmas.

### **Jurors Consider a Verdict** For French Collaborator

VERSAILLES, France — The jury in the trial of the French Nazi collaborator Paul Touvier retired on Tuesday to consider its verdict. Touvier, 79, is charged with crimes against humanity for the execution of seven Jews by firing squad in 1944 while he was intelligence chief of the Lyon militia during World War II.

Before the jury withdrew, the presiding judge asked Touvier if he had anything to say. He replied, "I have never forgotten the Rillieux victims. I think about them day and night. That's all."

His defense lawyer. Tremolet de Villers, said Touvier, the first Frenchman to be tried for crimes against humanity, had the seven

Jews shot in order to save 23 others. If convicted he faces a maximum term of life imprisonment,

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# THE AMERICAS / GOUNT WOMEN IN

### **Court Bars Juries Based on Gender**

# Ruling Gives Same Protection To Sex as That Granted Race

By Linda Greenhouse

New York Time: Service
WASHINGTON — The Supreme Court essentially completed a revolution in jury selection on Tuesday by ruling that the constitution's guarantee of equal protection bars the exclusion of potential jurors on the basis of their sex.

The 6-to-3 decision, written by Justice Harry A. Blackmun, extended to sex the same constitutional analysis that the court applied to race in a landmark ruling eight years ago. In that decision, Batson v. Kentucky, the court barred prosecutors from using their peremptory challenges to remove black jurors in criminal trials of black defendants.

In subsequent rulings, the court quickly expanded the holding of the Batson case to bar any use of race as a motivating factor in jury selection, in civil trials as well as criminal and by private litigants as well as government prosecutors.

"We hold that gender, like race. is an unconstitutional proxy for ju-ror competence and impartiality." Justice Blackmun said. He added: "Discrimination in jury selection, whether based on race or on gender, causes harm to the litigants, the community, and the individual jurors who are wrongfully excluded from participation in the judicial

The other justices in the majority were John Paul Stevens. Sandra Day O'Connor, David H. Souter, Ruth Bader Ginsburg, and Anthony M. Kennedy, who concurred in a separate opinion.

Chief Justice William H. Rehnquist, Justice Antonin Scalia and Justice Clarence Thomas dissented. rejected his argument.

**Away From Politics** 

Khalid Abdul Muhammad, a prominent member of the Nation of

Islam who has been widely criticized for expressing anti-Semitic views, toured the Holocaust Memorial Museum in Washington and

emerged contending that genocide by whites against black people had been far worse than what happened to Jews. At one point, Mr.

Muhammad, holding a poster-size portrait of a lynching, stressed that the Holocaust had lasted only a decade.

• Hundreds of convictions and pending court cases involving arrests made by 14 New York police officers who have been charged with

corruption will have to be reviewed, and a small number are likely to

he thrown out, two prosecutors said. District Attorney Robert M.

Morgenthau and Robert H. Silbering, special narcotics prosecutor,

The chairman of the black studies department at City College in

New York has had his reinstatement in the post upheld by a U.S.

appeals court. But the U.S. Court of Appeals for the 2nd Circuit

overturned a jury's award of \$360,000 in damages from the universi-

ty, which demoted Leonard Jeffries after he gave a speech that some

said they were dredaning lists of cases in which officers cha

corruption scandal had made or assisted in an arrest.

Peremptory jury challenges per-mit each side in a trial to remove a set number of potential jurors with-out giving a reason. Before the Batson ruling, it was common for prosecutors, acting on the assumption that black jurors would be sympa-thetic to black defendants regardless of the evidence, to use their peremptory challenges to create as close to an all-white jury as the numbers permitted.

The court held that the constitution's equal protection guarantee did not permit assumptions about

group behavior to determine an in-dividual's ability to serve on a jury. The case before the court on Tuesday rellected reliance on similar assumptions about gender. An Alabama prosecutor handling a child support and paternity case used nine of the state's 10 peremptory challenges to remove all the men from the jury, a common practice in such cases based on the belief that male jurors are likely to be sympathetic to a man who is

denying paternity.

The lawyer for the defendant. James E. Bowman Sr., in turn used his peremptory challenges to remove women from the jury. But because there were twice as many women as men in the jury pool that day, an all-woman jury remained after the two sides had used all their challenges.

The jury found that Mr. Bowman, whose blood test showed a 99.92 percent chance that he had fathered the child, was in fact the father. He appealed on the ground that the jury selection process violated his equal protection rights under the rationale of the Batson decision, but the Alabama courts



President Jean-Bertrand Aristide of Haiti warning in San Francisco that without democracy, refugees will flood the United States.

### Smuggled Gas in Haiti: Even U.S. Buys

By Douglas Farah Washington Post Service

PORT-AU-PRINCE, Haiti -Despite a United Nations-mandated embargo on on all petroleum products, the United States Embassy and other diplomatic missions here routinely buy smuggled fuel on the open market, directly feeding money to the military strongmen that the international community is supposed to be pun-

The embassy deliveries are more dignified, but the principle is the and in outlying towns. The retailers same as with the sales seen daily in make about 50 cents a gallon. what has become Haiti's sole gas station, along the main highway by the port: Dozens of trucks piled high with barrels of gasoline and diesel fuel sell their precious cargo to hundreds of people who push and shove to buy small amounts and carry it away in anything from tin cans to five-gallon jugs.

The trucks make the journey from the border with the Dominican Republic. The influx of gasoline is estimated by diplomats and businessmen at 1.5 million to 3 milliesz gallons (5.7 to 11.3 million liters) a month. It sells for about \$1 lic and \$8 to \$10 a gallon in Haiti.

The embargo was imposed in an attempt to return the ousted president, Jean-Bertrand Aristide, to office. But by buying smuggled fuel, American and other diplomats— as well as gallon-jug peddlers in the streets—are enriching Haiti's mili-tary rulers.

"At this point, the U.S. Embassy cois is accused by the United States payment has collapsed, and most obligated to buy gasoline on the and the United Nations of being people could not afford to pay is obligated to buy gasoline on the spot market like everyone else," responsible for a wave of terror said an embassy spokesman, Stan-ley Schriger. "We have no choice." that has swept Haiti and of being a leader of the 1991 coup.
Senator Christopher Dodd,

The embargo allows up to 300,000 gallons of fuel a month to be imported for the use of humanihe would ask President Joaquin Batarian organizations, but it contains no exemption for diplomatic Thousands of people retail the

hears from a friend that I think his fuel in the gallon plastic containers border is a sieve," Mr. Dodd said. on the street corners across the city make about 50 cents a gallon. Haitian businessmen who have

been pushed into bankruptcy by the embargo are angry that the international community seems to impose cavalierly on others what it is unwilling to endure itself. "I cannot imagine having the

nerve to tell the Haitian people they can do without gasoline" and "then turning around and buying it for yourself," said a busines who in the past has been friendly to the United States. "The hypocrisy of it all is stunning."

Another businessman said the American Embassy could just keep on, so their own measure did not affect them. There is more than a touch of Alice in Wonderland in all this," he said, "because they know

exactly where the profits go." The profits, by all accounts, go to Lieutenant Colonel Michel Francois, the commander of the police,

Before the embargo, much of the fuel went to generate electricity. Now, most of it goes to keep cars

Democrat of Connecticut, said af-

ter a visit here three weeks ago that

laguer Ricardo of the Dominican

Republic to tighten up the border.

on the roads - there are still traffic jams here - and to run private generators to help the wealthy endure the blackouts that now last days at a time.

people could not afford to pay greatly increased rates anyway. There is no tax collection, no

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nothing," said a businessman who deals with the military. "The only thing left of the state institutions are the military, and they have turned themselves into a business. Wherever there is money, there is the army. If they can't make money, they won't do it."

"I think it is important that he According to several sources familiar with the fuel market, about a 'You don't have to be an expert. dozen large-scale buyers, after pay-Just driving around Port-au-Prince ing off guards on both sides of the for the last couple of days you can border and numerous police posts see, if you've got the old cash in along the roads in Haiti, then pay your hands, there is no embargo in "license" fees to Colonel François Still, they can turn about a \$1.50 per gallon profit in sales to retailers, depending on the fluctuating

A flatbed truck can carry about a dozen 55-gallon barrels, meaning the wholesaler can expect to clear nearly \$1,000 a trip. Colonel Francois and the police make at least \$1 The reason for not running the electric plants, businessmen said, meaning profits of \$1.5 million or more a month.

### \* POLITICAL NOTES

#### Rostenkowski Asks Social Security Cuts

WASHINGTON — Representative Dan Rostenkowski, the chairman of the Ways and Means Committee, favors shoring up the finances of Social Security by reducing next year's cost-of-living adjustment, increasing the retirement age, trimming benefits for new retirees and raising payroll taxes in the 21st century.

Some of the proposals, standing alone, would provoke a political outcry. But the Illinois Democrat said that he hoped they would be

acceptable as part of a comprehensive plan to preserve Social Security for future generations.

Some combination of changes like those he proposed has a good

chance of passage. Social Security trustees said last week that unless Congress acted, the Social Security trust funds would run out of money in 2029, seven years earlier than projected last year. The trustees said that Congress should worry about the problem now. when the solution is relatively painless. Bigger changes would be required in later years if lawmakers deferred action, the trustees

In opinion polls, young workers often say they doubt that Social Security will be available to them when they retire. Mr. Rostenkowski said his proposal would restore confidence in Social Security and guarantee the Treasury's ability to pay all promised benefits for at least 75 vears.

Under his proposal, all Social Security beneficiaries, about 42 million people, would receive a smaller cost-of-living adjustment in January 1995. The increase was expected to be 3 percent, but the Rostenkowski proposal would limit it to 2.5 percent.

As a result, the average monthly Social Security benefit, now \$674, would rise to \$691 in 1995, rather than \$694. In the past, protests by elderly people have blocked proposed cuts in cost-of-living adjust-

#### **Women in Senate Unite Against Admiral**

WASHINGTON - In a show of solidarity, all seven women in the U.S. Senate lined up Tuesday against allowing Admiral Frank B. Kelso 2d to retire at four-star rank because of the Tailhook scandal that involved the sexual harassment of female naval officers.

They were given moral support by nine female members of the

House, who entered the Senate chamber as the debate began. The women said that giving the navy's ranking officer a full pension would endorse an attitude of condoning failures of leadership, since the harassment — at a naval aviators' convention in Las

Vegas in 1991 — had taken place on the admiral's watch.

"What the women are saying is that the culture of the U.S. military must change," said Senator Barbara Mikulski, Democrat of Maryland, Despite the opposition, the Senate was expected to approve Admiral Kelso's retirement at four-star rank, entitling him to a pension of \$84,340 a year. "There's a fairly strong feeling that he should have the four stars." said the Senate Republican leader, Boh Dole of Kansas. "He's entitled to it, and I think he'll get it."

The Senate must approve all three- and four-star retirements. If it does not, the officer is returned to two-star rank. In Admiral Kelso's case, that would mean a loss of \$16,873 a year in his pension. (AP) lis

#### 2 Senators Quit Race to Succeed Mitchell

WASHINGTON — The race to succeed the retiring Senate majority leader, George J. Mitchell of Maine, narrowed further Monday as two Democratic senators, Harry M, Reid of Nevada and Patrick J. Leahy of Vermont, took themselves out of the running. Mr. Reid endorsed Thomas A. Daschle of South Dakota for the job. Mr. Leahy said he could support either Mr. Daschle or Jim Sasser of Tennessee, who has said he is leaning toward joining the race and indicated he will make a decision shortly.

#### Quote/Unquote

The evangelist Billy Graham at the hospital where Richard Nixon was being treated after a stroke: "He means a great deal to me. I preached at his wife's funeral in California. I have a great personal affection for him."

### and his associates. Colonel Fran-CIA Tracking 'Quite a Few' Spies in U.S.

By Tim Weiner

considered anti-Semitic and racist.

New York Times Service
WASHINGTON — The director of central intelligence, R. James Woolsey Jr., said Tuesday that major counterespionage hunts were under way at the Central Intelligence Agency and elsewhere in the government, set off by secret information gleaned from the archives and agents of defunct Soviet and East European spy services.

Mr. Woolsey said "a large number of leads

with respect to people who undertook espionage during the Cold War, in this country and in other countries, in several parts of the American government" were under investigation.

East bloc agents working for the United States. is only one among many, he said.

The case against Aldrich Hazen Ames, the former CIA official suspected of spying for Moscow and betraying at least 10 Soviet and

Members of the congressional intelligence committees expressed fury, puzzlement and dismay at Mr. Woolsey's remarks Tuesday on the NBC "Today" show.

15 years at the CIA, the Pentagon, State Department and the White House had fallen under suspicion in a spreading series of investiga-

from East European nations over the past 25

The doubts are based on information from the files of the moribund intelligence services of bygone Communist nations, including Czechoslovakia and East Germany, the officials said. The archives of the former East German Ministry for State Security, or Stasi, now under control of the German government, have been a particularly rich source of information, they

Mr. Woolsey's statements suggested that the files had proved to be a kind of booby-trapped gold mine for the CIA, providing both a wealth of information on the secret history of the Cold War and the raw material for potentially explo-

#### "I don't know what got into him," said Senator Dennis DeConcini, an Arizona Democrat and chairman of the Senate Select Committee on Intelligence. "It shouldn't be disclosed. It's very, very sensitive information."

Over the past month, present and former intelligence officials have said in interviews that several people who have worked over the past

In addition, several intelligence officials said that the CIA was now wondering about the allegiance of agents it thought it had recruited

agents, pretending to work for the United States while in reality working for Moscow, the intelligence officials said.

sive internal investigations at the agency.

### Historians Doubt Scientists Aided Russia

NEW YORK - Several historians have questioned a new book by a high Soviet intelligence official who asserts that the chief Western architects of the nuclear era acted as spies to give Moscow the secrets of the atom bomb.

The accused scientists - Niels Bohr, Enrico Fermi, George Gamow, J. Robert Oppenheimer and Leo Szilard — were ions of science who in the 1930s and early 1940s unlocked the atom and went on to create the world's first nuclear borab in 1945. Drs. Bohr and Fermi at the time were Nobel laureates.

The Associated Press

DETROIT — Potential jurors began writing down their thoughts

on life and death Tuesday to help

lawyers choose which of them

should decide the case of Dr. Jack Kevorkian, who went on trial for helping a dying man commit suiSome historians say that different aspects of the book, including details of the secret workings of Stalinist Russia, are of historical University, as well as Jerrold L. significance. But they questioned its allegation of atomic spying by leading Western scientists as dubious at best and mistaken on some important points.

The book, "Special Tasks: The Memoirs of an Unwanted Witness—a Soviet Spymaster," was published Monday by Littley Brown & Co. and is excerpted in the current issue of Time magazine.

It was written by Pavel Sudoplatoy, an intelligence chief during the

ty assistant prosecutor, Timothy Kenny, said it would take hours

before the 66 potential jurors fur-

ished the 12-page questionnaires and the papers were photocopied

and given to attorneys and the judge for review. Only then would questioning of the potential jurors

Dr. Kevorkian has admitted that

he helped Thomas Hyde, 30, com-mit suicide last summer. Mr. Hyde

suffered from a degenerative disorder known as Lou Gehrig's disease.

If convicted, he could be senienced

chief for Time, and his wife, Leona The book asserts that Dr. Oppenheimer, the scientific head of the Los Alamos laboratory in New Mexico, where the bomb was invented, shared U.S. atomic secrets with Moscow and helped plant a number of Soviet moles deep in his top-secret organization, enabling Russia to break the American mo-

> The book does not contain any documents that back up the central accusation against the scientists, although it does have documents bearing on other aspects of atomic

and become a superpower.

nopoly on nuclear arms quickly

University, as well as Jerrold L. Schecter, a former Moscow bureau

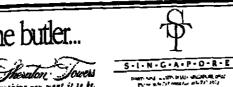
Russia exploded its first bomb in 1949, four years after the United States. Some Western scientist were surprised at the quickness of the advance, and historians have long known that Moscow's nuclear labors were aided by many relatively low-level spies.

Russian Research Center who is writing a book on Dr. Oppenheimer's nuclear work, agreed that the overall work was important but questioned its revelations about

The book as a whole needs to be taken seriously," she said in an in-terview. "It sheds a lot of light on some of the secret operations of the Stalinist era. But this nuclear chapter appears to be based on gossip and hearsay. Its weakness is an absolute lack of documentary evidence coupled with errors of fact." An example of an error, she said,

was the book's treatment of Klaus Fuchs, a German scientist who came to Los Alamos from Britain and after the war confessed to being a Soviet spy. The book asserts that Dr. Oppenheimer — under the influence of two Soviet agents — took special steps to insure that Dr. Fuchs got into Los Alamos.

But Mrs. McMillan said it was well known that the British team went to Los Alamos "as a package." In all, some two dozen scien-tists traveled from Britain to the secret laboratory, high in the Priscilla Johnson McMillan, a mountains of New Mexico.





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and whether they believe assisted suicide is an "act of murder or an act of mercy." Mr. Fieger and the Wayne Coun-

Dr. Kevorkian's attorney, Geoffrey Fieger, wants to know their

religions, positions on abortion,

to four years in prison and a \$2,000

**Kevorkian Jury Candidates** 

Take Quiz on Life and Death

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## Yeltsin, Angry, Demands That Serbs Pull Out of Gorazde

By Michael Specter New York Times Service

MOSCOW - Furious that despite all promises the Bosman Serbs have continued their siege of the Muslim enclave of Gorazde, President Boris N. Yeltsin of Russia on Tuesday warned Serbian leaders to stop their assault or face the gravest of consequences.

"Despite all the efforts of Russia, the United Nations, and the world community," Mr. Yeltsin said Tuesday, "the conflict is on the verge of a very danger-bus escalation. The leadership of the Bosnian Serbs should stop attacking Gorazde and leave the town." He called for an urgent international summit meet-

ing to discuss the situation. Coming hours after a similar statement by his foreign minister, Andrei V. Kozyrev, the remarks were the most striking sign of a sharp new turn in a Russian policy that has tried to preserve its strong ties with Serbia without alienating the rest of the world.

tic Treaty Organization. But in a

television interview Tuesday, Presi-

dent Clinton gave no hint that he

preferred a more aggressive ap-

The president welcomed as "very important" and "positive" a call Tuesday by President Boris N. Yeltsin of Russia for Serbs to halt

their offensive around the city of

tary and foreign policy advisers were among a number of officials in New York at the United Na-

tions, in Brussels at the headquar-

ters of NATO and in European

capitals, including Moscow, who were seeking a fresh, coordinated

Reacting to Mr. Yeltsin's call for summit talks on Bosnia by the

Western powers and Russia, Mr.

Clinton recalled that he had termed

a similar recent proposal "prema-

According to some accounts, the Butros Ghali letter was issued with

the concurrence and encourage-

ment of the U.S. envoy to the Unit-

ed Nations. Madeleine K. Albright,

who attended high-level staff meet-

ings on Bosnia on Monday in Washington. But Mr. Butros Gha-

li's spokesman said Tuesday it was

sent on his own initiative and was

meant as a test of NATO's "politi-

The letter, according to Reuters, asks NATO to decide, at the earlier

possible date, to launch air strikes,

if requested by UN commanders.

or tanks in or around" six mostly

Muslim enclaves designated as safe

areas. Previously, UN commanders

have said they were calling in air strikes only to protect UN peace-

NATO's governing body, the North Atlantic Council, was sched-

uled to meet in Brussels on

Wednesday, and it was unclear

whether Britain, France and other

allies with peacekeeping forces in

Bosnia would support more force-ful air strikes. In the past, they have

pressed the United States to send

its own ground troops to Bosnia to

assist in peacekeeping, but Wash-

failure to win a true cease-fire from

Some U.S. officials, while they

maintain that punishing air strikes

are needed, say they doubt that

anything can be done now about

the stranglehold on Gorazde that

Nor was it clear whether Russia

ington has refused.

the Serbs at Gorazde.

against artillery, mortar positions

approach on Bosnia.

Mr. Clinton and his senior mili-

**CLINTON:** Changing Options

Yeltsin has been under intense pressure from nationalists at home to support the Bosnian Serbs, and under equal pressure abroad to force them to stop their

"Serbian leadership must fulfill the obligation it has given to Russia," Mr. Yeltsin said Tuesday. "Stop the attacks. Withdraw from Gorazde." He also insisted that the Serbs permit United Na-

tions forces to enter the city. None of that seemed likely on Tuesday, however. The Bosnian Serbian leader, Radovan Karadzic, said that if North Atlantic Treaty Organization planes bombed his forces again the war would widen. In a sign of their resolve, the Serbs reclaimed anti-aircraft

guns under United Nations guard in the cease-fire

zone around Sareievo.

bate in Washington, with a number

of leaders in Congress, Republican and Democrat, calling for stronger

U.S. leadership and Western ac-

But there was little unanimity on

options open to the West. Some

called again for a lifting of the UN

arms embargo on all of the former Yugoslavia. Others backed air strikes. Some maintained that the

United States has no more strategic

interest in Bosnia than it does in

The frustration of Representa-tive Lee H. Hamilton, a normally

cautious Indiana Democrat who is

chairman of the House Foreign Af-

fairs Committee, typified the reac-

"I think almost certainly you

have to have a more robust reaction by NATO and the United Nations

here," he said Tuesday in an tele-vised interview. "There's been a

real humiliation of both organiza-

tions, and we simply cannot take

the kind of brutality that we have

seen from the Serbs in Gorazde

Just before the initial White

House meeting, Bosnian Serbs

without some kind of response."

tion of many congressmen.

Rwanda, for example.

ourselves by all means." The Russian newspaper Izvestia declared the actions of the Serbian leaders "a public slap in the face" to Russia and a "nightmare for Russian diplomats." In the Kremlin, which dispatched 150 paratroopers to

replace Russians already stationed in the former Yugoslavia, the sense of betrayal and humiliation was

Mr. Yeltsin has called a meeting of Russia's National Security Council at the Kremin on Wednesday to discuss the worsening situation.

But even as he did so, rightist members of the legislature bitterly accused him of selling out Russia's historic allies to the West.

The Russians have tried desperately to solve the crisis because neither they, nor anyone else in Europe

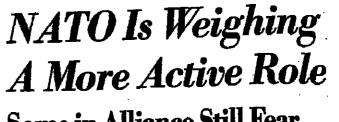
For months Russia has tried to position itself as the one country capable of appealing to the Serbs, through diplomatic finesse and a history of friendship. Mr. Strikes there is going to be a war. We will protect Yelsin has been under intense pressure from national.

"It would be a terrible escalation, a terrible war." or America, want to increase military force or engage ground troops in the region. There are other reasons as ground troops in the region. There are other reasons as ground troops in the region. There are other reasons as ground troops in the region. There are other reasons as ground troops in the region. There are other reasons as ground troops in the region. There are other reasons as ground troops in the region. There are other reasons as ground troops in the region. There are other reasons as ground troops in the region. There are other reasons as ground troops in the region. There are other reasons as ground troops in the region. There are other reasons as ground troops in the region. There are other reasons as ground troops in the region. There are other reasons as ground troops in the region. There are other reasons as ground troops in the region. There are other reasons as ground troops in the region. There are other reasons as ground troops in the region. well. Russia has been eager to once again be regarded as a major international force, capable of resolving conflicts that nobody else can address.

Yet, Mr. Yeltsin, who has seen his room to manenver at home shrink almost daily, cannot appear to have caved in to the demands and proposals of the West. The anti-American and anti-Western sentiment in Russia has grown too strong for that.

Still, Mr. Kozyrev on Tuesday agreed to a French proposal for a UN Security Council resolution that would condemn any Serbian seizure of Gorazde.
That and Mr. Yeltsin's call for a summit meeting

have important implications, because many diplomats have argued that no peaceful solution can be found in the region as long as Serbian leaders are able to pit Russian, European and American interests against



### Some in Alliance Still Fear **Becoming Mired in Combat**

By Craig R. Whitney
New York Times Service

BONN - NATO officials on Tuesday began urgent consider-ation of a request by the United Nations secretary-general to authorize air strikes in defense of UN 'safe areas" in Bosnia, with the allies divided on a step many of them fear would make NATO a combatant in the war.

With one previous strategic success — forcing an end to the siege of Sarajevo by Bosnian Serbian fighters two months ago — NATO military planners in Brussels began considering whether allied air pow-er could destroy or force withdrawal of Serbian tanks, artillery pieces and mortars from Gorazde and the five other safe areas.

Officials with the North Atlantic Treaty Organization said it was doubtful that the study would be completed in time for ambassadors from the 16-member countries to decide on an answer to Secretary-General Butros Butros Ghali's request at their regular weekly North Atlantic Council meeting on

U.S. bombers under NATO and other targets as the Serbs pushed into Gorazde last week, not to prevent them from taking territory but at the request of UN troops who asked for the air strikes

to protect them.
Mr. Butros Ghali's request for authorization of NATO air strikes to protect the mainly Muslim refugees in the safety zones, if he requests them against Serbian targets, would take the alliance's involvement a step further.

"What the UN is asking us to do is to act against artillery pieces, mortars, or tanks in protected areas which UN forces there determine are responsible for attacks on the zones," a NATO official said. "Obviously, it will be very difficult to determine where they are and to coordinate with the UN to call in strikes against them, and the military are now looking at the possi-

In the NATO capitals, where the real decisions are made, the allies are split about the wisdom of taking the next step down the road "We have an interest in showing that NATO — history's greatest towards direct military involvement to stop a war that has made military alliance - remains a credithe alliance appear impotent in the face of Serbian aggression in Gor-Finally, he said, the administra-tion wants to stem the flow of refu-

The British, with more than 3,000 troops in the lightly armed remain the most skeptical because spokesman said.

A Sensor Shuts Down

cally blamed Europe for being unwilling to take tougher steps. STOCKHOLM - A nuclear Britain and France, both with peacekeeping troops in Bosnia, have been unwilling to pick up the moral cudgel waved by Washing-

> The Swedish utility Sydkraft AB The Swedish utility Sydkraft AB The leader of the group that met said it was not clear whether an with him was Miles Lerman, chair-

of fears that the soldiers could become Serbian hostages in case of NATO air attacks, as in fact some of them did in Gorazde last week. Some British officials are also growing increasingly critical of the

Clinton administration's reluc-

tance to become involved on the ground in Bosnia until after a peace settlement is reached. The British defense secretary, Malcolm Rifkind, said, "Some have had quite unrealistic expectations about what can be achieved by the use of air power alone or by ground forces that are not

equipped or organized to operate in

combat role. The French, with more than 4,000 troops in Bosnia, support the UN request for broader use of NATO air power, according to a spokesman for the Foreign Ministry in Paris. President François Mitterrand on Monday discussed the situation in Bosnia with President Bill Clinton by telephone.

France's Foreign Minister, Alain Juppe, has also called for simultaneous intensified diplomatic coordination by American, Russian, and European Union negotiators command attacked a Serbian tank in Washington to define a common position and push the Serbs, Croats, and Mushims toward peace.

"We support a carrot and stick approach," a French spokesman said, "with the threat of air strikes and the carrot of progressive lifting of international economic sanctions against the Serbs if they agree

The United States and France persuaded their NATO allies in February to issue a 10-day ultimaturn to the Serbs to withdraw heavy weapons from a zone around Sarajevo. But they remain divided on the wisdom of talking about possibly lifting sanctions at a time when the Clinton administration believes the Serbs have done nothing to deserve relief.

Germany, which supported the NATO ultimatum in Sarajevo, is far more reluctant about extending the threat of violent intervention to other safe areas.

It Ma

A German spokesman said that Chancellor Helmut Kohl told Pres-ident Boris N. Yeltsin of Russia by telephone on Tuesday that "every effort should be made to put an end to bloodshed in the region and bring about a lasting peace." In telephone talks with Mr. Clin-

ton and Mr. Mitterrand on Monday, Mr. Kohl also emphasized the need for political solutions over in-UN humanitarian force in Bosnia, tensified military measures, the

### Swedish Nuclear Plant

of its Barseback 2 plant, The com-

sold its stock for too little money. If

only Mr. Handley had held off a

ers could have made an additional

The relationship between Mr.

the Citicorp bureaucracy, asso-ciates say. In Mr. Handley, Mr.

innovative instincts that helped put

the chairman was going to say yes to practically anything Dick asked for," one former Ciubank execu-

As Argentina and other Latin

\$500 million, or about double what

#### Chancellor of Austria Meets With U.S. Jews

**WASHINGTON** — Chancellor Franz Vranitzky of Austria opened a two-day visit to Washington on Tuesday by meeting with representatives of American Jewish organi-

electrical fault or an actual drop in man of the council of the Holopressure had caused the shutdown caust Memorial Museum, Mr. Vranitzky is to tour the museum pany expected the reactor to be Wednesday after a meeting with

French troops waiting Tuesday at Sarajevo for orders to move out to protect the UN-mandated "safe area" in Gorazde.

### stormed an arms depot in Sarajevo and seized 18 anti-aircraft guns

**BOSNIA:** Serbs Retake Weapons

Continued from Page 1

that the 30 or so French soldiers guarding them were unable to resist the superior force. Other UN sources said that the French troops had wanted to resist

but were ordered to stand down. An officer at UN military headquarters in Bosnia said the United Nations had been angered by the Serbs' action, which was the first time weapons had been seized from

collection points. Prime Minister Haris Silajdzic of Bosnia said the Serbs' action showed they had been emboldened by the failure of NATO to carry out

They are encouraged by the sive. lack of NATO reaction and by the way some countries have looked the other way." he said calling for more air strikes against the Serbs.

strikes, despite its embarrassing The seized weapons were among those surrendered to UN control. under threat of NATO air strikes, as part of an agreement in February to remove heavy weapons from around Saraievo or place them under UN supervision.

Officials of the UN High Com-Serbian fighters appear to be tightmissioner for Refugees in Geneva The continued defiance of UN said they had lost communications mandates by the Serbian military shelling and were not sure of the ing local positions. at Gorazde and elsewhere in Bosnia has sparked a major policy defate of the staff there.

"We are outraged, as it appears beyond a doubt that we are being targeted despite assurances from the Bosnian Serbian leadership," said Ron Redmond, a spokesman

for the UN refugee agency. The main hospital in Gorazde also took direct hits. "The roof of the hospital is com-

pletely destroyed," said Dr. Ren-aud Tockert of Doctors Without Borders, in Brussels, after talking to the organization's team in Gor-The hospital is on the south side of the Drina River, which divides

the town. Serbs are believed to confurther air strikes around Gorazde. trol that area after a 20-day offen-About 200 shells hit in or on the edge of town before noon Tuesday.

gee agency. The Yugoslav press agency Tan-jug said that Serbs had repelled a major Muslim assault in northeastem Bosnia on Monday. Similar reports preceded the offensive on Gorazde, which Serbs have main-

tained is a defensive move. Croatian radio said that Serbs had shelled Muslim-Croatian areas with their Gorazde office during near Broko and were were reinforc-

#### BLUFF: Serbs Testing the West **Negotiators** Seek to Reopen Peace Talks

Agence France-Presse GENEVA - The co-chairmen of the peace conference on the former Yugoslavia. Lord David Owen and Thorvald Stoltenberg, are due in Moscow on Wednesday to seek Russian support to reopen negotiations, Lord Owen said Tuesday.

The European Union mediator said he and his United Nations colleague were also prepared to travel to Washington to pursue similar efforts

Lord Owen said that the Eufairs Council "is not prepared to let the diplomatic negotiating round go onto hold."

They are determined that it

must proceed," he said. He stressed that the longer new negotiations were de-layed, "the more we see instances like what happened in

Gorazde," the Muslim enclave

in eastern Bosnia that was

poised to fall to Bosnian Serbi-

an forces.

along a major river. nior policymakers, have had little to do with the future of Bosnia, or stopping the Serbian advance.

#### ma, the U.S. national security adviser, W. Anthony Lake, said early this month. At the same time. Mr. Lake said,

Continued from Page 1 as in Srebrenica or Sarajevo, have been merely tactical.

In contrast, the objectives of the Clinton administration and its key allies, France and Britain, have been far from clear or constant. Beyond averting NATO attacks, the goals of the other major outside player, Russia, have also been murky. All have nominally worked together to end the war, but none have decided that the Serbs must not be allowed to succeed.

Serbia, the arms patron of the Bosnian Serbs, has become a kind of new 19th-century Prussia, with a single-minded intention to expand Its geopolitical aim would be familiar to Bismarck, but apparently befuddles Mr. Clinton and his foreign-policy advisers, who throughout the week insisted that the Serbian drive was not aimed at taking the city or that it was the product of renegade commanders.

Gorazde is a typical 19th-centu- ton and have little interest in Bosry territorial prize. It bestrides a nia other than promoting stability. road leading from Belgrade, the Both fear getting more involved in Serbian capital, to the sea, and sits the war on the ground and neither

U.S. interests, as defined by se-Looking at the lessons of the past of hostility with Moscow.

#### Serbian actions have loomed large in administration rhetoric, but i has shown no willingness to put The administration has periodi-

power plant in southern Sweden shut down automatically on Tuesday, activated by a sensor that detected a drop in pressure in the control system of its steam-driven

functioning again within a day. President Bill Clinton.

That is when Citicorp decided to for these young kids," said one CiThat was when he hit on the idea ell stock in the investment compaticorp official. "They didn't put up of taking stock in Argentine moa penny of their money, and they nopolies in exchange for loan payments. Carlos Saul Menem had just become Argentina's president, and Other critics say the fast profits the new administration talked of

> companies to compete. With that prospect, Mr. Handley initiated his strategy of buying stock in government-controlled companies.

opening the country to foreign in-

vestment and unleashing state-run

There is some disagreement be-Handley and Mr. Reed says a lot about how this deal sped through tween Citibank and U.S. bank regulators over where the pressure originated to sell the Argentine stock holdings. And that conflict has raised important questions Reed recognized the competitive, about whether the sales had to be

Mr. Reed at the top of one of the world's largest banks 10 years ago at the age of 45.

Mr. Handley, 50, is also smart, tablished with the U.S. regulators to begin selling chunks of Citicorp and politically well-connected in a Equity Investments within months, country where that means every-10 percent by June 1992, an addithing for a foreign bank.
In the bank, Mr. Handley got tional 38 percent within six months and all but 40 percent of the comwhat he wanted from Mr. Reed. pany by 1997. "There was always the feeling that

But questions cropped up. Would not the bank get the best price if it conducted competitive bids? Was there a conflict of interest if Mr. Handley's handpicked legal team of Mr. Zavala and Mr. Gowland was negotiating the prices with buyers who were Mr. Handley's friends? Wouldn't there be yet another conflict if Mr. Zavala and Mr. Gowland wound up owning stock in the company, too?

There was no one looking out for the interest of the Citicorp shareholder," said one former se-nior official. "The people who were buying the asset were also selling it and in the end were also buying it."

Russein Leaves for Britain

AMMAN, Jordan — King Hus-sein, 58, left Tuesday for a private visit to Britain during which he will have an operation for a perforated left ear drum, officials said.

An and Kith! Joh

#### **JUNE 1994** EDNESDAY 16 HURSDAY J1.00 12.00 1.00 **MARK YOUR DIARY!** 2.00 And plan to join us for the 6th annual "Oil & Money: Asia & the Pacific" conference being held 3.00 at the Regent Hotel in Singapore on June 15 & 16. The conference, one of Asia's leading energy forums, will be addressed by experts in the oil 4.00 industry from the world over. FOR FURTHER INFORMATION 5.00 PLEASE CONTACT: **Brenda Hagerty** 6.00 International Herald Tribune 63 Long Acre, London WCDE 9JH Tel: (44 71) 836 4802 EVENING Fax: (44 71) 836 0717 The Oil Daily Group Herald Eribune

### DEAL: For Some Argentine Investors, Being Friends With Citibank Paid Off Handsomely

wants to be seen backing the Mus-

Washington has also been sensi-

tive to Russia's protective attitude

toward the Serbs, fearing a renewal

century, the United States has "an

interest in helping prevent the spread of a wider war" beyond Bos-

gees into Europe and "to stop the

continuing slaughter of innocents."

troops where its values lie.

The immorality and illegality of

ble force for peace."

U.S. banking regulators to sell some of the stock because such long-term investments in industrial companies are inappropriate for a bank. But Washington regulators say that Citicorp had several years to act; whatever deadline the bank imposed was its own.

By the time the get-cash-quick plan was in place in Argentina, Citibank employees who caught wind of it complained to Citibank auditors and the Securities and Exchange Commission in the United States, accusing the bank of cozy insider dealings and pressing for an investigation. The SEC, as is its

Dining

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CARR'S

habit, will not comment on whether

it is pursuing one. Like many in Citibank's global fraternity of bold risk-takers, Mr. Faced with nearly worthless Argentine government bonds, he shrewdly decided to trade the bonds when the government stopped paying interest on them for stock in several corporate giants, including a natural gas pipeline, an electric utility and a phone company.

Two years ago, when Citicorp troubles mounted from bad realestate loans in America, Mr. Reed called for corporate jewels he could pawn for cash to strengthen the

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sell stock in the investment company known as Citicorp Equity Investments SA. The stocks that Mr. are instantly among the rich in Ar-Handley had an eye for a good bet. Handley had accumulated had ris- gentina." en in value thanks to a government mitiative to sell the state-run com-

panies to investors. But Mr. Handley said that finding buyers fast for Citicorp's in- year, they say, Citicorp shareholdvestment company was hard, especially after the Argentine stock market began a 64 percent fall in it collected, based on today's stock mid-1992 and investors backed prices.

That's when Mr. Handley turned to his wealthy business associates, including George Soros, who has been a major investor in Argentina. In a series of five separate sales, Citibank Argentina unloaded 60 percent of its investment company and raised a total exceeding \$400

yers in the bank and protégés of Mr. Handley: Gilberto Zavala and Marcelo Gowland. Before joining Citibank Argentina, Mr. Gowland, 38, was a lawyer for several small financial institu-

But two of the buyers were law-

tions and the attorney to see for a plot in one of the city's best ceme-Mr. Zavala, 37, had worked in New York for the law firm Shear-

man & Sterling and was a specialist in working out problems with Argentina's government debt.

"No matter how you explain it

way, this is a very, very sweet deal

nations quit paying interest on their debt in the '80s, Mr. Handley watched as more than \$1 billion in Argentine bonds he held sink in value to pennies on the dollar.

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# Ctive Role No End to Tokyo Infighting Formatic Disputes Could Stall Succession The Socialists bitterly oppose to large part because it we

New York Times Service
TOKYO — Leaders of Japan's governing coalition informally settled on Foreign Minister Tsutomu Hata as the next prime minister on Tuesday and sought to end their bitter power struggle, but they failed to unite behind a platform that would end the recession or get stalled trade talks with the United States restarted.

At the least, the disputes between the conservative members of the coalition and the Socialists over economic policy could delay the formal election of Mr. Hata, 58, a conservative and pragmatist who has refused even to declare his can-

didacy yet.
Perhaps worse, it could presage a continuation of the paralyzing infighting that characterized the last months of Prime Minister Morihiro Hosokawa's government, which was toppled the week before last by Mr. Hosokawa's involvement in a financial scandal.

The divisions could thus be bad news for the United States, which has been eager for a strong govern-ment to deal with a series of sensitive economic and political issues. including lowering Japan's yawning trade surplus and dealing with North Korea's suspected nuclear

weapons program. Indeed, the inauspicious start on Tuesday made it clear that the new government would provide no quick fix for the serious problems that have placed the relationship between the world's two largest economies at its lowest ebb in

The succession process has offered a peculiar spectacle. Under the one-party rule of the Liberal Democrats, who held power from 1955 until last summer, prime ministers were generally selected in backroom bargaining sessions and then formally elected without de-

Even when the coalition replaced the Liberal Democrats last year, it moved quickly to name Mr. Hosokawa and launch his govern-

has been slowed by a broad party crease in the national sales tax.

crats have been splintering, along with some of the coalition parties, in a general rush toward the political center. The attempts to reshape the coalition and its policy agenda have meant that, though Mr. Hata is the obvious successor to Mr. Hosokawa, he has yet to receive any formal endorsement.

In spite of his reluctance to step onto center stage, Mr. Hata made it clear on Tuesday that he would keep Mr. Hosokawa's cabinet al-most intact, which would perpetuate at least some policy divisions.

He explained, however, that the reason for maintaining many of the same ministers would be to pass swiftly the long-delayed budget for the fiscal year that began April 1...

I'm not in a position to talk about the lineup of the new cabinet, but common sense suggests the key positions will go to those who compiled the current budget." Mr. Hata said.

Mr. Hata also is expected to move quickly to prepare a package of measures to deregulate the economy. As foreign minister, he said Japan would offer such a package before the summit meeting of the Group of Seven industrial coun-

The goal is to use it as a means of getting trade talks with Washing- tinue to prohibit international inton back on track, since the Clinton spections of its nuclear sites. administration has been seeking to ease Japan's regulatory burden as a way of opening the economy to foreign companies. But this would be the third such package assembled in the last year, with most analysts having been disappointed with the previous efforts.

Mr. Hata has also proven himself to be a supporter of the government bureaucracy, which jealously controls the regulatory apparatus. Thus, few are expecting bold new

reaucrats have proposed, and Mr. contain. Hata has accepted the need for some reduction in income taxes, to

plan, in large part because it would fall most heavily on the wage earners who are the core supporters of the Social Democratic Party. The Clinton administration has also argued against the plan, saying that it would stifle the chances of recovery from the two-year-old recession.

Nevertheless, Mr. Hata and the coalition's key strategist, Ichiro Ozawa, held firm on Tuesday. The group's leaders could agree only hat they would meet again Wednesday to resume the debate.

In the realm of foreign policy, the coalition agreed on a generally pro-American line. It said it supported the United States-Japan security treaty, which the Socialists, the largest party in the coalition, had rejected for years. It also agreed on a vaguely word-

ed statement promising coopera-tion with the United States on the

problem of North Korea's suspected nuclear weapons program. The Socialists have customarily had moderately friendly relations with the Communist regime in Pyongyang, but their agreement to the coalition policy suggests they would support a United Nations economic embargo against North Korea should the government con-



Michael P. Fay, last month before his imprisonment. He is awaiting a verdict to the appeal of his caning sentence.

### **American 'Ready' for Caning** Father Says Teenager Has 'No Hope at All'

By Philip Shenon

SINGAPORE - The father of the 18-year-old American sentenced to be flogged here for vandal-ism said Tuesday that his son had given up all hope of avoiding the punishment even though he insists

"He has no hope at all," said the father, George Fay, an Ohio businessman, in a telephone interview from Ohio. "He's prepared. He told his mother in the prison today that he's prepared for the

His son, Michael P. Fay of Dayton, Ohio, was permitted a visit on Tuesday in a Singapore prison by his mother, his stepfather and his girlfriend. The visit came the day before Mr. Fay and his family must file a final clemency appeal with the Singapore government.
George Fay said that he had spoken Tuesday

with his former wife, Randy Chan, after her visit with Michael, and that she reported that their son

"He's doing fine," he said. "Randy couldn't hug him or touch him, which was hard on her, but Mike kept telling her to be strong." Mr. Fay and Mrs. Chan divorced in the 1980s.

and she has since remarried to a businessman living in Singapore.

Mr. Fay said that he, too, had lost hope that his son would avoid the punishment, six lashes with a

said. "In fact, I think there's been a hardening of The youth pleaded guilty to vandalism after he confessed to spray-painting several cars and toss-ing eggs at other vehicles last autumn in Singapore. The flogging sentence has drawn protests from

rattan cane. "There's no optimism - none." be

President Bill Clinton, who for the third time urged Singapore on Tuesday to spare the youth, saying that his confession was open to question.

But public opinion polls have shown that many

Americans believe that Mr. Fay is getting what he The teenager has insisted privately that he is innocent. He has said that he confessed to vandal-

ism as a result of a police beating - a claim that some Singapore criminal defense lawyers say they do not find hard to believe — and pleaded guilty only because his family believed he would be

George Fay said that lawyers for his son would file material on Wednesday with the office of Singapore's president. Ong Teng Cheong, who has

final authority over clemency appeals.

"The argument we're making in the appeal is that Michael is a first-time offender, that he has never had any problems at all in the past with anyone, anywhere, and that he suffers from attention deficit disorder." Mr. Fay said.

Attention deficit disorder is a neurological ailment that is known to lead to impulsive behavior.

Mr. Fay said that his son's lawyers would also present President Cheong with nearly 7,000 pages of petitions signed by Americans and others who urge the government to grant the appeal to Mr.

Criminal defense lawyers here say that given the recent statements of Singapore government leaders about the Fay case — they have said repeatedly that tough criminal laws and corporal punishment. have saved Singapore from the fate of crimeplagued U.S. cities — the clemency appeal will almost certainly be turned down within days.

### Defense Chief Follows Patriot Missiles to South Korea

SEOUL - The United States defense secretary, William J. Perry. arrived here Tuesday to discuss allied military preparedness on the Korean Peninsula

Mr. Perry's visit was the latest The biggest policy dispute on step in a drawn-out confrontation Tuesday was over a proposal by with North Korea over a suspected Mr. Hata's party to alter the tax illicit nuclear weapons program. system. The Finance Ministry bu- which the United States hopes to

He arrived a day after the first shipment of U.S. Patriot anti-mis-This time, however, the process be more than offset by a large in-sile batteries, whose deployment

arrived in South Korea.

"No strong arm works with us." said the North Korean Workers' Party newspaper Rodong Simmon. "Should the United States and its lackeys dare provoke a war, we will answer it with a decisive counterblow to defend our socialist system and the dignity of our republic."

During his two-day stay in Seoul, Mr. Perry plans a visit to U.S. military bases after conferring with General Gary Luck, commander of the 36,000 American troops in

sighted and unfair.

meet with high South Korean officials, including Defense Minister Rhee Byong Tae and President ternational Atomic Energy Agen-Kim Young Sam, with their talks Wednesday focusing on the possibility of reviving joint Team Spirit military exercises.

The U.S.-South Korea exercise. held since 1976, was to have been canceled in return for outside inspection of North Korea's nuclear

But American and South Korean officials have threatened to revive commitment during a meeting the exercise in response to North Tuesday to seek UN economic

Already in Seoul and consulting parture from Washington, an assistith the South Koreans was Robert tant secretary of defense, Edward with the South Koreans was Robert Gallucci, the State Department official recently put in charge of

secretary of state.
Mr. Gallucci and Foreign Minis-

vices subcommittee Monday that coordinating policy toward North the United States would pre-posi-Korea, Mr. Gallucci is an assistant tion combat equipment in South

Korea for use in the event of war. ter Han Sung Joo restated their would be put on ships ready for

He said more heavy weapons immediate transport to Korea. (AFP, Reuters)

Coincident with Mr. Perry's de-

Warner, told a Senate Armed Ser-

### Cambodia **Town Falls** To Rebels

PHNOM PENH - Khmer Rouge guerrillas have recaptured their former headquarters in Pailin from government troops, the Khmer Rouge said Tuesday.

"We recaptured Pailin today. April 19 at 12:45 P.M.," a Khmer Rouge official said, adding that government soldiers had "fled indisarray across their own mine-

"We seized eight tanks and destroyed seven," he said. The government offered a partial

confirmation of the guerrillas' re-port. Asked if Pailin had been recaptured by the guerrillas. Deputy Information Minister Khieu Kanharith said. "Not the whole area." The interior minister, General

Sin Sen, said fighting was continu-ing in Pailin, a town a few miles from the border with Thailand.

The Cambodian Army commander, General Ke Kim Yan; his deputy. Lieutenant General Saroeun; Defense Minister Tea Banh, and Second Prime Minister Hun Sen had left Phnom Penh earlier and were meeting in Battambang on Tuesday, government aides said.

Battambang was the govern-ment's forward base for the capture of Pailin from the Khmer Rouge on March 19. The rebels launched an effort to retake it on April 9. Fighting between the rebels and army units had been reported within a 15-kilometer (9-mile) radius of the town ever since. A total of 3,000 guerrillas took part in the final as-sault, the Khmer Rouge said.

### At Maya Ruins, a Fight Over Profits From History

By Anthony DePalma New York Times Service

TULUM, Mexico - Within the walls of this ancient Maya stronghold, facing the gemstone sea and sacred structures built long ago, modern Mexico seems blessed with

Outside, history is hell.

A ramshackle city almost as large as ancient Tulum itself has spring up just beyond its walls, preying on the thou-sands of sightseers hauled here every day by smokey buses from the resort city of Cancim 130 kilometers (80 miles)

Brazed by the Yucatan sun, the buses are kept idling so their air-conditioning can run. Exhaust from the buses chokes everyone nearby. The food stands operate without running water or electricity. Tourists sweep through as many of the half a hundred shops as they can, haggling over quartz daggers, cheap T-shirts, and pomographic whistles. It is not a pretty sight. But Mexicans are pragmatic and

realize that the past, while revered, can also be used to turn a profit, By whom, however, is the issue that has turned Tulum into a battleground, an especially sensitive one because of the Indian unrest in Mexico this year.

On one side, are government officials who realize that

Mexico is rich in history but poor in the resources to care for its past. They have turned to private developers for help, asking them to build a new shopping center about a kilometer away from Tulum.

Once the new building is operating, the ragtag shacks illegally located on federal land near the ruins - will be

shops, and the original area will revert to jungle. Motorized carts will take tourists from the buses to the ruins and back. Opposed are the vendors themselves, mostly poor people

of Maya descent. They say they cannot afford the \$22,000 to buy a 5- by 9-meter (15- by 30-foot) stall in the new shopping center. The government has helped make financing available at rates that are somewhat below market, but even these conditions are burdensome to people who say that they barely make more than \$10 a day.

They want to make history a big business," said Antonio Cervantes Sixtos, a T-shirt shop owner and a leader of the vendors. "We don't want to have any part in it."

Late last year, officials were taking a hard line, threatening to buildoze any vendors who had not relocated by March But when Maya Indians in Chiapas State rose up in arms on Jan. 1, such a hard line became politically untenable. Deadlines were pushed back, the bulldozers never showed up and the road that leads directly to the walls of Tulum remains open months after it was supposed to be closed.

Rebeca Nussbaum Peniche said she bought a stall in the new building because someone told her it would be a good investment. She also was afraid of the bulldozers. But her space was not finished in time for the scheduled

Feb. 15 opening, and since the buses are still allowed to go close to the walls, hardly any tourists stop at the new site. She now pays almost \$600 a month for the stall, even though she isn't selling a single carved Maya head there.

"How do I feel? Powerless," she said. "But in truth, to me

"If I were buying the archeological zone itself or the ruins, I would agree that Mexico is selling its history. But because our project is 1,500 meters from the ruins, it has nothing to do with that at all."

it seems an offense for them to try to sell Mexico's patrimony

Though Tulum is far from being the grandest site in the

Maya world, its proximity to major beach resorts makes it

the most visited, attracting more than a million visitors a year. But its problems with tacky surroundings are shared by

other archeological sites. The pyramids in Teotihuacan, 50 kilometers northeast of Mexico City and the work not of the

Maya but of the precursors of the Toltees, are encircled by

shabby stands and people selling cheap trinkets. Officials are

The head of the development group that built the shop-

ping center in Tulum thinks the vendors are being short-

"The only thing we're doing is helping the state and

federal governments because they don't have the money to

dignify the historic site themselves," said Eduardo Rebol-ledo Stringle, director general of the Tulum Development

At times, the struggle for Tulum has turned ugly. On Feb. 19, buildozers blocked the old road to the ruins, Not long after, Marcos Cardenas Valdés was stabbed five times in the chest and abdomen because, he said, he refused to move his

### End Pressure on China, Singapore's Lee Tells U.S.

The Associated Press SYDNEY - United States pressure on China to improve

human-rights practices is fruitless and potentially destructive. according to Lee Kuan Yew. Singapore. Mr. Lee, who is visiting Aus-

tralia, said in an interview published Tuesday that the United States could not expect to change China's ways, which are based on a 4,000-year-old civili-

zation. He called on President Bill Clinton to resist pressure from human-rights campaigners. Mr. Clinton is to decide by June 3 whether China, in the U.S. view, has made sufficient progress in human rights to justify extension of the so-called mostfavored-nation status, under which China would continue to exports to the United States. Such a decision would be "a fruitless endeavor and will Australian Financial Review. He said that revocation of most-favored-nation privileges

could cut China's growth by about 40 percent. "There's go-ing to be retaliation by the Chi-nese," he said. "East Asian growth is bound to be affect-

hostile China," he said, "one an adversary and will not be your partner in keeping the have another enemy?"

#### cause unnecessary friction and one which the United States will find itself all alone in the Pacific." Mr. Lee said in the interview, published by the

"You will end up with a very which you'll have to live with as world stable. Do you want to

(Reuters, AP, AFP).

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### U.S. Legislators Cash In on Health Care

By Richard L. Berke New York Times Service

NASHVILLE, Tennessee -Representative James Cooper offers a simple explanation for his putting forward a health care pro-posal: "This is a pocketbook issue. It really matters to every family." It has also become a pocketbook issue for Mr. Cooper, and whatever the fate of his health plan, he is aiready a winner. In less than a year, the mild-

mannered Democrat from the most rural House district in Tennessee has become the toast of health providers and insurance companies, which have channeled tens of thousands of dollars of contributions to his campaign for a Senate seat. Mr. Cooper is only one of the

many politicians benefiting from the fund-raising frenzy set off by the national dialogue over health care. Since drug companies, hospitals, insurers and doctors have so much at stake in the legislation that may emerge from the Congress. many are investing all they can in lawmakers whose proposals would be most favorable to them —or the least damaging.

They are showering millions of dollars in donations to members of Congress with prominent roles in the debate, like Mr. Cooper, whose plan is the most preferred alternative to President Bill Clinton's proposal by business because it neither requires employers to provide coverage nor limits insurance premi-

At one breakfast in January at Cassidy & Associates, a well-connected Washington lobbying firm that has several drug companies as clients, Mr. Cooper collected more than \$14,000 from about two dozen executives. Last month, he traveled

#### Major and Kohl Set Talks

27 in London, Mr. Major's office said Tuesday.

to Hartford, Connecticut, the naciaries of the debate are the chair- sources.

ington, whose plan for a Canadian

style government-administered plan is unpopular with the health care industry, has received only

The most striking example of how the jockeying over health care can translate into campaign money

ance companies. Mr. Cooper is seeking the Senate seat that Al Gore vacated on becoming vice president. The current, appointed occupant, Senator Harlan Mathews, is not seeking elec-

report his campaign filed Friday with the Federal Election Commission. His younger brother and campaign manager, John Cooper, said 19 percent of that came from health care interests.

Still, Mr. Cooper's donors have

"I thought about only accepting money from Mother Teresa - but then she's in the health care busi-I'm probably giving up several mil-lions of dollars."



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LONDON - Prime Minister John Major will meet Chancellor Helmut Kohl of Germany on April

Insurance Cos. and then to a lun- zen Action, a consumer group that cheon, where he took in contributions from dozens of other insur-Other obvious financial benefi-

men of committees taking up health care. Senator Daniel Patrick Moynihan, Democrat of New York, who as head of the Senate Finance Committee will play a crucial role in passing any bill, has pulled in well over \$100,000 from groups that want to influence the debate. By contrast, Representative Jim McDermott, Democtat of Wash-

modest donations. In all, experts in campaign financing say that donations intend-ed to influence the health care debate could be as high as \$50 million

is here in Tennessee, where the health care industry is important though not as visible as the country Since Mr. Cooper's plan is less sweeping than the president's — Mr. Cooper likes to call it "Chinton Lite" - the congressman has become a favorite recipient of largesse from health care and insur-

Mr. Cooper, who has no strong opponents in the Democratic primary, has raised \$2.4 million through March 31, according to the

Using a broader definition of tion's insurance capital, first for a what constitutes health care or infound ways to make themselves fund-raising breakfast at Travelers surance interests, critics like Citi-

Mr. Cooper has refused to accept money from political action committees, a stance he adopted in mid-1991, during his last re-elec- ness," Mr. Cooper said in an intertion campaign for the Fourth Dis-view. "I think I'm the only federal trict House seat. His explanation candidate in Tennessee history not then was that the committees were to accept PAC money. That means dominated by special interests with too much influence.

their PAC's, many companies are favors the Canadian-style "single legally using a practice in which payer" option, contend that more than a third of Mr. Cooper's larger donations in 1993 were from those donors who work for the company.

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### The Bosnia Disaster

#### International Shame

The events of the weekend in Gorazde could yet become a defining point of the post-Cold War era. At this refugee-swollen, mostly Muslim town in eastern Bosnia, the idea of international responsibility is reeling under successive devastating blows. A year ago the United Nations designated Gorazde a "safe area." Nonetheless, Bosnia's Serbs attacked. A laggard United Nations finally called in two NATO air strikes. The Serbs further probed the allied will. This time the United Nations, after losing one plane, opted for a cease-fire. Pretending to accept it, the Serbs at once violated it. Incredibly, the United Nations did nothing, NATO did nothing and the United States did nothing.

On Monday, Serbs, continuing to embar-rass even their Russian patrons, were toying with the agonized city. The fate of Gorazde. designated a safe area by the United Nations and then allowed to be overrun, will be remembered as a source of international shame.

For the world body, humiliation is near complete. The Security Council had originally dispatched forces to protect relief convoys and to defend themselves. Not by resolution but by reality, the council also took on the mission of protecting Bosnians. But it failed either to provide extra resources on the ground to accomplish this more demanding task or to anticipate the extra political support it would need to sustain it. In the weekend crisis, the Serbian advance was so relentless that the United Nations determined — an arbitrary judgment producing a bizarre rever-

#### Lift the Arms Embargo

The battle for Gorazde leaves no one covered with glory. The Serbs now have the city at their mercy, but their duplicity and bloodthirstiness have disgusted the world. NATO and the United Nations have been ignored and humiliated. And Russia, despite its supposed clout with the Serbs, is as powerless as everyone else to hold them to their word.

have several basic choices. They can continue with their ineffective efforts to protect the six safe havens designated by the United Nations last year, a course almost certain to fail. They can escalate the conflict by attacking Serbian positions elsewhere, inviting wider war on the ground and in the air. They can withdraw, exposing Bosnian Muslims to even worse cruelties. Or they can keep their forces in place but lift the arms embargo on Bosnia, giving the Bosnian government a fairer chance to defend itself from Serbian attacks.

Lifting the arms embargo — not unilaterally but by UN vote — would be a symbolic step in the right direction. Russia and perhaps Britain and France might resist such a move, as they have in the past, but the Clinton administration should make an all-out effort

The current situation, with Bosnian Serb armies advancing at will punctuated by pinprick NATO air strikes, is untenable. Every day NATO forfeits credibility without protecting the Muslims or fostering peace negotiations. Instead the Serbs have used the air

sal - that it could protect its own forces only by abandoning the Bosnians. At virtually every point it yielded to the still rampaging and epentant Serbs. In short, the Serbs called the United Nations' two-air-strike bluff, and the United Nations folded.

President Bill Clinton has backed off in Haiti, in Somalia and now, not for the first time, in Bosnia. Positioning himself as the pawn of a self-driven international machine, he has abdicated what ought to be a great power's serious effort to win, first, the American people and then others to policies of American design. His expectation of low public support for air strikes has become a self-fulfilling prophecy. His renewed suggestion for lifting the discriminatory arms embargo on Bosnia is delivered limply and to no effect. His complaints of Serbian duplicity carry no resonance. As Gorazde shudders under point-blank Serbian shelling — a war crime, by the way — he flees

Washington for a rally of Mustang owners. There is plenty that Washington could do. It could summon America and others to a sense of the immense rolling costs of international default on promises to support a victim state. It could stand up to the Serbs and insist that NATO, to counter the siege of "safe areas," pick from a list of Serbian military targets extending well beyond Gorazde. It could convey that Serbia's postwar place, including escape from sanctions, hinges on its respect for international norms. Only in such ways can President Clinton's foreign policy approach and team gain the credibility have dismally lost.

- THE WASHINGTON POST.

One option being discussed is UN withdrawal and an end to NATO air cover. That would be a loss. While the United Nations has not stopped determined Serbian advances, it does some good at the margins, opening supply lines and pushing back military feints.

Another option would be heavy NATO air strikes against Serbian positions elsewhere, including vulnerable supply lines. The objective would be first to force a pullback in Gorazde, and then an overall peace settlement. One practical problem is that NATO is unlikely to master the Serbs with air power alone. More decisively, NATO members are unwilling to launch a wider air war.

That leaves lifting the arms embargo, a step now supported by several U.S. senators as a way to respond forcefully to the Serbs without risking American lives. The arms embargo, although nominally extending to all of the former Yugoslavia, has in practice hurt mainthe Bosnian government. But the United States should not unilaterally violate an arms embargo imposed by UN vote.

Russia or any other permanent member could veto a resolution to lift the embargo. That should not stop the United States from making the maximum effort to win their support, including a UN speech by President Bill Clinton himself. It is hard to see what else the United States might try that would not risk doing more harm than good.

- THE NEW YORK TIMES.

### As South Africans Trade Places, Please Keep Watching

SOMERSET WEST, Cape Province — The Crossroads and Khayelitsha squatter camps lie just beyond Cape Town's D. F. Malan Airport. Over the years, they have ever edged closer to the N2 highway, and here and there litter from thousands of tin shacks cascades onto the road. The southeasterly wind blows some of it against wire fences.

From afar, it makes an eerily beautiful picture with the sunlight glinting off hundreds of pieces of plastic.

Now and then, the desperately poor residents of the camps throw rocks at passing cars, which are driv-en mostly by middle-class white South Africans. Ndoda Ngementu, a 17-year-old spokesman for the South African Students Congress, believes that attacks on the drivers of "capitalist vehicles" are necessary: "They have influence over the economy. They are the enemy

On April 28, the balance of political power will shift from those driving to those who live in the sad, lopsided shacks. But it is unlikely that the stone-throwing will stop. When driving from Cape Town to my home in Somerset West, 45 kilometers away, I'll still keep my car in the fast lane. It is of little comfort that Harry Gwala, leader of the ANC in Natal, is reported to have said that only cars worth more than 20,000 rand (about \$5,500) should be singled out. This edict does not put my six-year-old Volkswagen Golf out of harm's way.

It is tiring to be a South African. If you are an Afrikaner, as I am, the guilt and resentment never leave you. Guilt, because you belong to a people who created a vicious system. Resentment, because even with a collective history of 342 years on the continent,

By Natasha Mostert

Life here has a surreal quality. Turn on the television and you may see 40,000 Zulus marching in support of their king, Goodwill Zwelithini, their spears and clubs reflected in the glass facades of the cool corporate

towers of downtown Johannesburg. Open a paper and you are confronted with a photograph of white women scrubbing the statue of a Boer War hero with soap and water because

There are signs that the ANC may be borrowing the kinds of unsavory tactics associated with the minority government.

ANC supporters "defiled" the statue by climbing onto it during a rally. South Africans are intensely preoccupied with themselves. For years, the world has seemed similarly fasci-

nated by our problems. Our agony is a part of American popular culture. It has found expression in anti-apartheid T-shirts and in the sly wit of a Doonesbury cartoon. Perceived analogies between the South African conflict and the civil rights struggle in the United States make Americans think they know us.

They are excited about South Africa's elections, which are a shining confirmation of America's stated foreign policy goal: the expansion of democracy and human rights. Nelson Mandela, unjustly impris-

you are still considered a settler. oned for 27 years, will become president of a new nation. It is impossible not to be touched by the poetic justice of this story. I myself am moved by the ANC's exuberant campaign

slogan: "Our Time Has Come." But the United States should remain vigilant, because there are signs that the ANC may be borrowing the kinds of unsavory tactics usually associated with the ruling minority government. Many South Africans were troubled, for example, by the ANC's actions in the aftermath of a protest rally by Inkatha Freedom Party supporters in downtown Johannesburg on March 28. No one is sure how the shooting broke out, but witnesses say snipers were firing at the Zulu marchers from a window of the ANC's headquarters.

When the police arrived with a search warrant, Mr. Mandela personally prevented them from entering the building. Asked at a news conference whether his actions should be seen as a precedent for the way a future ANC government would treat political opponents, Mr. Mandela reolied dismissively that he did not have time for "esoteric" questions. Such evasiveness is not unusual. In December, The Star in Johannesburg reported on secret memos obtained from the ANC's Department of Intelligence and Security, detailing post-election plans for the infiltration and

The ANC's explanation? It is only concerned about ensuring a peaceful transition, not about grabbing power.

Whatever one makes of the sincerity of that statement, the fact remains that

surveillance of rival organizations.

a secret, all-powerful Afrikaner orga-nization called the Broederbond. Also in question is the ANC's commitment to an unfettered press.

Under apartheid, the state-funded South African Broadcasting Corporation, which controls three of the country's four television channels, including all of its news programs, was run largely by Broederbonders and National Party sympathizers. Now, under more pluralistic management, the corporation is experiencing a "Prague spring." but its independence may be at risk once again. The ANC has appointed three high-pro-

file supporters to top positions. As a senior news producer told the Sunday Times of Johannesburg in December, "It's the same as in the past when you had to be a Nat [National Party member] or Broederbonder to get a top post. Only the

Equally troubling is the ANC's apparent inability - or unwillingness to discipline its radical wing.

The ANC has condemned the government for its alleged support of rogue police officers - the so-called "third force" — who are accused of fomenting political violence between rival black factions. It has been more subdued about the activities of the "self-defense units," armed gangs of vigilantes who terrorize those who do not support the ANC.

ary, a member of a self-defense unit admitted to killing the "enemy" like "chickens" because they "do not understand the will of the people." ANC leaders have condemned that statement, but last year they also con-

In a BBC radio interview in Janu-

demned Peter Mokaba, former head of the ANCs Youth League, for his slogan "Kill the Boer," and distanced themselves from Winnie Mandela torchbearer of the militant cause. Mr. Mokaba is now likely to become the next minister of tourism and Winnie Mandela has been elected president of the ANC Women's League, making her the most powerful woman in South African politics.

In his whirlwind overview of international problems during his State of the Union address in January, President Bill Clinton promised to "stand by South Africa during its transition. We are of course grateful, but we fear that he will not put pressure on a government led by an icon like Nelson Mandela, and that, anyway, the United States has had enough of African adventures.

After the last vote has been counted, South Africa will face overwhelming problems. The rage that drives camp residents to hurl stones at cars on a highway will not just go away. But our biggest challenge will be to keep the world interested once many of the journalists covering the elections have gone home and the neat black-and-white checkerboard of South African politics has dissolved into a messy swirl of unpre-

dictable alliances and tribal loyalties. During the apartheid years, South Africa was plagued by evil. My chil-dren, I hope, will not live in an envi-ronment as destructive. To a large extent, our future depends on whether South Africa becomes just another forgotten place on a forgotten continent. So wish us well. But more than that, keep in touch.

Natasha Mostert, a Sovah African writer, contributed this comment to

What next? NATO and the United Nations

to change their minds.

strikes as an excuse for waging war against the United Nations itself, seizing peacekeepers

and firing at NATO planes.

### Bosnia: An Emerging Russian View Might Want War to Go On

such tactics were once the hallmark of

By Frederick Bonnart BRUSSELS — In apparent high dudgeon about failure to be consulted before the

recent air strike in Gorazde by NATO aircraft. the Russian leadership has now put in doubt Russia's adherence to NATO's Partnership for Peace. Foreign Minister Andrei Kozyrev has called off his Brussels visit, planned for Thursday, when it was understood that he would sign on to the Partnership.

In fact, consultation about this air strike was superfluous. Necessary discussions had taken place long ago at the United Nations, where Russia, together with the other members of the Security Council, had passed Resolution 836. mandating Secretary-General Butros Butros Ghali to authorize air support for UN forces in Bosnia when required. No NATO nation was consulted before the recent air strike. The Russians are well aware of this.

Moscow's move could signal a fundamental change in Russia's relationship with the West. As it becomes increasingly evident that Western assistance will not solve the country's problems, Russian leaders may see in the current situation an opportunity to regain great-power status.

In this vision, the Partnership for Peace relationship with NATO is of minor importance. After all, it is not strictly a treaty but a general agreement to cooperate in specific areas, such as peacekeeping and humanitarian activities, as well as restructuring the

democratic control. Instead, President Boris Yeltsin has called for a bilateral relationship with NATO that places Russia on an equal basis with the whole of the alliance. Russia could then be seen as the leader of a large group, such as its Commonwealth of Independent Nations, cooperating with an alliance led by the United States. It would, ideally, like to have this relationship defined in a treaty, with formally

military-industrial complex and ensuring

declared rights and duties. This vision is clearly chimerical. Apart from the difficulty in international law of NATO making treaties with sovereign states, the alliance is not a group of countries under American domination. Nor. presumably, would all members of the CIS be willing to accept Moscow's leadership. But this vision is consistent with a possible new Russian view of the world. In this view, the West is inherently weak.

The NATO countries enjoy overwhelming po-litical, economic and military power but failed

to use it in the Yugoslav war - which they could easily have stopped at the outset. They have hesitated and vacillated ever since. Alliance military power evidently was respected when it was engaged, but it was never pressed home. NATO is thus losing the respect not only of the Bosnian Serbs but of other parties.

For Russia, this could provide an opening to regain influence and power. Moscow sees its former satellites rushing to Brussels to join the Partnership for Peace. Most have expressed the hope of becoming full NATO members. Yet NATO talks about enlargement only as a distant possibility. If the East and Central Europeans continue to be disappointed, they might look to Moscow again to secure their rear.

The test of this analysis lies in Russia's attitude in the Yugoslav conflict. Having initially put its name to a number of increasi menacing Security Council resolutions aimed at stopping the war, and saying it would be willing to use troops to enforce them, the Moscow leadership now condemns such ac-tion. But Russian officials have been active behind the scenes. They intervened in Sarajevo and obtained the withdrawal of Serbian heavy weapons. Several cease-fires can be claimed as their achievement, even if, as in Gorazde, these were later broken. Despite the Russians' sympathy for the Serbian side, they have maintained a position of benevolent neutrality.

The logical conclusion is that it is in Russia's interest for this war to continue. The longer it goes on, the more dependent the Serbs will become on Russia, and the more disappointed their opponents will become with NATO. U.S. Russia relations would cool, but the current Russian leadership might be willing to live with this. Many Russians would approve; and Russophile parties in the former Soviet sphere of influence would be heartened. The overall result: a weakening of the West and a corresponding strengthening of Russia.

Of course, many responsible Russian leaders would oppose this. In any case, the game apparently is being played cautiously. Al-though the Kozyrev visit to NATO headquarters has been canceled, that of Defense Minister Pavel Grachev has been confirmed for May 24. He will brief NATO defense ministers on Russia's new military doctrine. His words are sure to be heard with great attention.

The writer is editor of NATO's Sixteen Nations, an independent military journal published in Brussels. He contributed this comment to the International Herald Tribune.

### A Muddle in Ukraine

Shrugging off predictions of apathy, Ukrainians turned out by the millions this month to vote in the independent republic's first free parliamentary elections. They gave scant support to paramilitary extremists, but 118 Communists and their allies won seats, as did 35 of their moderate nationalist opponents. Reform-minded centrists fared poorly.

The election could lead to further polarization between a western Ukraine, eager to join Europe, and eastern Ukraine, which talks about rejoining Russia. And it left a muddle in the middle of the 450-seat parliament, newcomers with no known party loyalty who could stampede to either pole.

The political and economic disarray in Ukraine manages to make Russia look good -especially to the 16 million ethnic Russians who live in Ukraine. Russians in eastern Ukraine gave strong backing to the Communists and their Socialist and Peasant Party allies, who advocate a state-run economy and

ists polled well in western Ukraine, especially in rural regions that did not become part of the Soviet Union until World War II.

There may not be much in between. Sup-porters of former Prime Minister Leonid Kuchma, who eschewed nationalism to press for economic reforms, won few seats. The election results were also a rebuff to President Leonid Kravchuk, who drove a hard bargain with Washington and Moscow for economic help in return for nuclear disarmament.

To Washington, which wants Ukraine to yield its nuclear arms and begin economic reform, and to neighbors who want it to be a stable buffer with Russia, Ukraine's election may be unsettling. To some in Moscow, the results may suggest a chance to meddle. But any effort to ignore the vote or suborn Ukraine's independence could unsettle more than just Ukraine itself.

— THE NEW YORK TIMES.

### In Singapore, Unusual Law Doesn't Bring About Unusual Order

HONG KONG — Debate over the likely caning in Singapore of the American teenager Michael Fay is being conducted through an

American prism. It has been sidetracked into one over the causes of and solutions to America's own urban crime problems. The caning question should be left where it belongs — in its Singapore social and political context.

What does it say about how Singapore is run, and about the state of civil rights in this city-state, host to U.S. military facilities and an Asian

Singaporeans may reasonably feel that it is not the business of the United States, or anyone else, to lecture them about what constitutes a cruel and inhuman punishment or one unfitted to the crime. This form of punishment cannot be described, as Singapore tries, as part of an Asian value system. Its origin is more Brit-ish colonial — although only for violent crimes — than Asian and it is

By Philip Bowring used in very few other Asian countries.

Singaporeans and non-Singaporeans alike may reasonably feel that intervention by a present and a past U.S. president in the case suggests that American citizens expect to be treated more leniently than anyone else in Singapore. This attitude, with its racial undertones, has lit a chau-vinism that has been fueled by the government-controlled press.

But foreigners might be excused for being unaware that behind Singapore's clean, green, efficient, wellordered image is a system which rules, I think, as much by fear as by example. Nor is it exceptionally crime-free as a result of often draconian punishments. Certainly, and especially for expatriates and middle-class Singaporeans, life is generally safe and officials are uncorrupt. But the background of strong-arm tactics is clear enough.

There are some 1,000 canings a

year, according to official figures as cited by The Straits Times. Judging by available statistics, Singapore has had, over the years, the highest prison population per head of population in

veloped Asia. It detains without trial (according to the then home affairs minister, S. Jayakumar, in 1992) a thousand alleged "hard-core gangsters" — in a population of just 2.8 million. It makes use of the death penalty against drug runners even of low rank. In many instances sentences are mandatory, giving judges little discretion in evalu-

ating degree of seriousness. Despite all these stringent laws, Singapore is not extraordinarily crimefree. It may be compared to big U.S. cities but not to many other Asian countries and much of Europe. For example, both its homicide rate and its overall crime rate are on a par with supposedly freewheeling Hong Kong. According to United Nations figures, Australia or South Korea, both highly

Its robbery incidence is half that of Hong Kong. It is far ahead of Japan on all crime counts. Japan, interestingly, has a low crime rate despite its degree of urbanization, and is lenient

Comparative crime statistics are in-

Despite the death penalty it is only relatively drug-free. In the first three months of this year, 54 alleged drug traffickers and pushers were arrested.

after being physically abused during six days of interrogation. His father alleges that he agreed to plead guilty after being assured that he would not be caned. It is not possible to comment on the truth of these assertions. However, it is beyond doubt that Singapore has a long history of show trials, mostly of political dissidents, such as Catholic social workers, and

fessions to obtain release are a fact of life in Singapore.

political purposes has made life very uncomfortable for opposition figures,

it has far more murders per head than notably J. B. Jeyaretnam, who had to pay large fines as a result of libel actions and was imprisoned and deprived of his parliamentary seat. Not suprisingly, although Singapore retains a parliamentary system with reg-ular elections, the opposition competes on a very oneven playing field, the ruling People's Action Party using all the levers of government to ensure its continued hold on power.

In practice there is much less debate and diversity than in neighboring Indonesia, which in many Western eyes is under quasi-military

dictatorship. Now Senior Minister Lee Kuan Yew travels the world lecturing other countries on how to behave, while criticism of him at home seldom rises beyond whisper level.

Father figure he may be, but there is an element of the Great Leader cult in the mix of awe, fear and reverence with which he is treated. Abroad he is fawned upon, particularly outside Asia by those who believe that he represents all things Asian. With his articulate and blunt speaking, he puts Singapore on the map and deflects attention from its

system, allied with a draconian crimi-nal justice system, may be what the sider the significance of the Fay case for them, they need to look at Singa-pore's system of authority.

### Domestic Tranquillity Is a Basic Right

**Sharp Knives Around Yeltsin** 

The Zhirinovsky phenomenon has become a lightning rod for the pent-up frustrations and difficulties the Russian people are fac-ing. But President Boris Yeltsin's major problems remain unresolved. In order of priority, they are the building of a national consensus and getting on with economic reforms. The first will determine the president's own political future in an atmosphere supercharged with his adversaries sharpen-

ing their knives.
[Vladimir] Zhirinovsky, the far-rightist leader, remains an oddity and seems to have served his historical purpose by warning Mr. Yeltsin of the dangers of following a slavishly pro-American policy. The former vice presi-

Other Comment dent, Alexander Rutskoi, has already begun his campaign to wrest the presidency from Mr. Yeltsin in 1996, while the prime minister. Viktor Chernomyrdin, seems to be biding his time, should the president stumble and fall. The acuteness of the economic hardships faced by a large number of Russians will influence the outcome. But the greatest stumbling block for Mr. Yeltsin remains his limitations in forging a consensus. His only hope is to appeal to the people over the heads of

fractious politicians and parliamentarians. Beset as most Russians are with the daunting problems of making ends meet, they could be persuaded to give Mr. Yeltsin the benefit of the doubt — inasmuch as they do not see

a better alternative. — Khaleej Times (Dubai).



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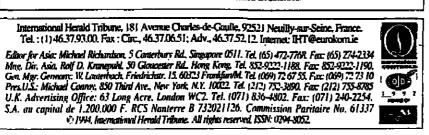
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N EW YORK — "Every law-abiding American, rich or poor, has the right to raise children

without the fear of criminals terrorizing where they live."
President Bill Clinton said that the other day. The constitution says the same thing in different words - those phrases in the preamble about the government ensuring domestic tranquillity and

promoting the general welfare. But every law-abiding American, rich or poor, knows that the right to live without terror is so massively violated every day that the domes-tic tranquillity of the nation, its general welfare and the government's ability to guarantee either

are all being destroyed. The criminals among us know it too - none better. They can get the weapons of their trade for the asking, plus a few dollars. They know that then they can kill, main and rob with the chances against their being arrested and tried - or having to serve out their full terms if by

chance they are convicted. Of all questions and problems facing America, I can think of none more important to answer than this: Why is American society failing so miserably to give its citizens freedom from terrorization by crime, the right upon which all others depend and which is now the primary demand of the American public?

Politicians and budgets are not the basic problems. Politicians like Bill Clinton, New York's Governor Mario Cuomo, Mayor Rudolph Giuliani of New York City, Representative Charles By A. M. Rosenthal

Schumer and others hear the anticrime SOS sent by the public. And it is not only money — not in a country where hundreds of billions are spent fighting crime every year. More every day, I believe that the problem is that Americans are not putting their minds where their anticrime mouths are. Millions who are convinced that they are fiercely against crime wind up placing the rights and privileges of the criminal over those of the law-abiding. They do not have the sense of responsibility to re-examine their intellectual

and emotional positions. On the right. Americans who see emselves as hard against crime still refuse to accept restrictions on buying guns for sport or self-defense. They put American criminals forever in their debt. Among liberals and radicals there

at gun lovers while doing their own best to make the trade of criminality easier for its practitioners and survival more difficult for the prey. That is what is happening in the public housing projects of Chicago some of the most dangerous real estate in the country. At one project, where 300 instances of gunfire were

reported on one weekend in Febru-

ary, the tenants and management

are too many who make mean faces

wanted to take a few safety steps. They thought it might save some lives if metal detectors were put up, residents carried a photo ID, and visitors were signed in and greeted. They thought it would be nice.

in other words, if their lives were considered almost as worth saving as those of Americans who use airports, work in federal office buildings or live in houses where there are doormen.

The American Civil Liberties

Union successfully fought such protections. Still, the project residents and managers dreamed on. They got police to sweep apartments where drug dealers stashed weapons, and narcotics, even if there was not enough time to get warrants. That, to the ACLU, raised the constitutional question of unlawful search. They stopped the sweeps in

court, pending appeals.

The residents and their friends at the Washington-based American Alliance for Rights and Responsibilities counter with the survival question. Who decides how to fight crime in the projects - the people who will die under fire in the houses, or lawyers who have never lived there? Now the White House is urging the tenants to give advance consent to sweeps. Good idea; perhaps the ACLU lawyers will agree. Perhaps the drug dealers

will not kill tenants who sign the advance consent papers. Of course, neither the National Rifle Association nor the ACLU wants to get law-abiding Americans killed. But after all, the constitution does not guarantee you a metal detector, or a doorman. Certainly there is no constitutional responsibility to try to get your mouth and mind together about domestic tranquillity,

The New York Times.

or whatever they used to call it.

urbanized soceties.

toward minor offenders.

fluenced by definitional and cultural differences, but they indicate clearly enough that for the average Singaporcan his city is averagely safe.

Singaporeans also continue to be implicated in overseas drug operations. In the Fay case, the accused has claimed that he was forced to confess

journalists. The pattern has been for persons to be arrested under the internal Security Act, which provides for detention without trial, and to be subiected to long hours of interrogation in ice cold rooms and released weeks or months later when they confess to being "Marxists" or to "helping the Communist cause." As in China, con-

This use of the legal system for

domestic arrangements. Economically, Singapore is a success story — but no more or less so than Hong Kong. Socially, it appears calm and contented, although quite what repressed emotions lie beneath the surface is hard to say. Its political majority of Singaporeans want. But if Americans and others want to con-

International Herald Tribune.

#### IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1894: Loss of Innocence LONDON - Mr. William Dierkin,

picture dealer, was dragged into the Glasgow Police-court yesterday [April 19] by two blushing constables. charged with exhibiting a painting called "The Slave Market at Cairo" in his window, to the great scandal of the city. Several witnesses swore that, after looking at the picture, they had lost much of their innocence. The magistrate, on gazing at a photo of it. was so overwhelmed with confusion that he had to hide his face in his handkerchief. After he had recovered from his fit of blushing he let the prisoner go on his promising not to

#### 1919: Out of Germany

sell photographs of his picture.

BALE - According to a report from Essen, the Communists have started a campaign in favor of emigration on a large scale. The leaders of this movement are engineers, merchants and workers of the middle classes. It

is their idea to emigrate to South America, particularly to Argentina and Brazil, where they will resume German propaganda on the old lines. The emigrants, who will not sever their relations with the Fatherland, give the future economic situation in Germany as the reason for this action.

#### 1944: Danube Is Mined NAPLES - [From our New York

edition:] In a series of daring night missions over Hungary, Yugoslavia, Romania and Bulgaria, bombers of the Royal Air Force have mined the Danube River for about 300 miles, it was disclosed today [April 19] by the Mediterranean Allied Air Force. The difficult operation was achieved in the light of a waning moon by Wellingtons and Liberators with mixed British, Canadian, American and South African crews. The Danube is one of the most important arteries Germany has for the shipment of various goods, and is used for the transportation of troops and ammunition.

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## Traqgate: Much Too Much Ado?

ASHINGTON — William Safire, the respected (and often feared) New York Times pundit, has written 20 or so columns since early 1992 on what he believes to be one of the greatest

scandals in the history of man. From a column published on Nov. 12, 1992:

"fraegate is the first global political scandal. The leaders of three major nations [United States, Italy and Britain] are implicated in a criminal conspirator first implicated in a criminal conspiracy: first, to misuse taxpayer funds and public agencies in the clandestine buildup of a terrorist dictator [Saddarn Hussein]; then to abuse the intelligence and banking services of these nations to conceal the dirty deed; finally to thwart the inexorable course of justice," at a cost to taxpayers, he said, of \$1.9 billion.

"Iraqgate," said U.S. News & World Report, is a story of "how the Bush administration helped finance Saddam Hussein's war machine with American tax dollars." Mr. Safire claimed that "tax money" was "used to finance [Saddam's] secret nuclear buildup."

When the Clinton administration came to power, it produced no evidence of any global scandal, whereupon Mr. Safire suggested last September that President Bill Clinton and his appointees had be-

"George Bush," Mr. Safire wrote, "privately assured Bill Clinton that he would not criticize the new president during the first year of his term ... In what may be an unspoken quid pro quo, the Clinton administration has moved to quash any revelations about Mr. Bush's Iraqgate scandal."

This is a tale Oliver Stone might have written, and it may prove to be no less fictional than Mr. Stone's absurd movie "JFK." That is my reading of Kenneth Juster's persuasive rebuttal to the conspiracy claims of Mr. Safire and others.

Mr. Juster is a young Washington law-yer who was a senior adviser to Lawrence Eagleburger, then the deputy secretary of state in the Bush administration. He is now a visiting fellow at the Council on Foreign Relations, where he studied this affair. His findings appear in the spring

issue of Foreign Policy magazine.
The central tenet of the Irangate stoiv, as charged by the press," he writes, "is that the Bush administration pursued a secret policy in cooperation with Iraq to pervert U.S. agricultural-assistance proBy Richard Harwood

grams in order to help ... Saddam Hus-U.S. News said in October 1992 that through these programs Mr. Bush "contin-ued to provide billions of dollars in loans to Saddam Hussein after the war with Iran ended ... Iraqi agents [stole] some of the money and used it to buy and build biological, chemical and nuclear weapons."

It is a nifty theory. But there is a

problem, as Mr. Juster explains. No U.S. government loans were made to Iraq in the 1980s or '90s. Credits to buy food were guaranteed through the U.S. Commodity Credit Corporation, But a "credit" is not a transaction in which a lender hands over money to a borrower. Under the CCC food program, an exporter agrees with a foreign buyer to export specific quantities of American commodities. The U.S. bank financing this sale pays the American exporter for the food. It is repaid by the country receiving the credit. The American bank involved is insured against loss by the CCC. Thus, it is not even theoretically possible, Mr.

Juster argues, for any money to have been "stolen" from these credits for weapons purposes by Iraq or any other country. But by obtaining credit for food pur-chases, critics say, Iraq could use its hard currency to buy other things, arms in-cluded. That could have happened, theo-retically, when the first credits were extended in the early 1980s. But when payments came due, Iraq had to pay in hard currency or be disqualified from

further food purchases. The long-term effect was to deplete Iraq's hard-currency reserves. It obtained \$392 million in new food credits in fiscal 1990 while paying off old credits with \$847 million in hard currency. Far from freeing up hard currency, the repayment

burden grew year by year. In August 1990 the United States im-posed sanctions on Iraq for invading Kuwait. Payments by Iraq on \$1.9 billion in outstanding food credits stopped at that point. That is what the Iraq food program allegedly has cost American taxpayers. But all is not lost. The Federal Reserve

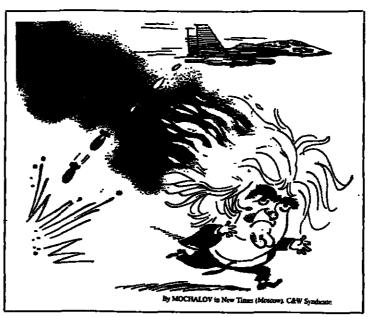
System has frozen Iraqi assets in the United States. They total \$1.3 billion. And according to Mr. Juster, "Iraq presumably would have to settle claims

for all of its CCC-related debts as part of any subsequent normalization of rela-tions with the United States." So, in the end, the slate may be wiped clean. The reputations of those accused of

Iraqgate conspiracies and criminality may take longer to repair. "There have been," Mr. Juster writes, "more than four years of hearings and investigations by various executive branch, congressional and judicial bodies... But there is still no proof that the

charges are true. Indeed, several government entities examining the charges have reached contrary conclusions." If Mr. Safire's theories are right, and if, as he hints, the Clintonians may be part of a conspiratorial web, we may

never clear the air on this one. But if journalists become as zealous in exploring the avenues opened up by Mr. Juster as they were in spreading the original tale, the truth may out one day. The Washington Post.



#### LETTERS TO THE EDITOR

Take NATO Out of Bosnia

Now that the NATO military forces serving under the United Nations in Bosnia are seen as having taken sides with the Muslims, is it not time to replace them with military personnel from non-NATO countries, perhaps China or India? Only such a change of personnel could restore the UN's credibility as a peacekeeping force with no desire to take sides in nasty civil wars. The argument that only NATO is capable of executing such a mission in Bosnia has proven disastrous. If the UN is to survive, it is essential that it be seen as an international world body, not just a tool of a few powerful nations.

STANISHA OGNJANOVICH.

Getting Beijing's Attention Regarding "What About the Fate of Asians" (Opinion, April 16):

After reading A. M. Rosenthal's thoughtful column, I turned on BBC and was amused to hear that some Asians certainly know how to get other Asians to do the right thing.

When mainland Chinese authorities couldn't be bothered to act on the tragic shinboard fire in which 24 Taiwanese tourists had perished, Taiwan suspended visits and canceled lucrative contracts. The Beijing government promptly shook off its torpor and arrested three "criminals" (God help them, for their

chances of a fair trial are nil). I hope that we who claim to care about the fate of Tibetans, Chinese workers and dissidents, and other victims of the naked abuse of power, can learn from this experience.

TICA BROCH.

It's Not a 'Safety Net'

Regarding the report "In Europe's Jobs Crisis, Growth Is No Answer" (March 10) and other articles:

The term "social safety net" is frequently used to denote certain social structures that exist in Western Europe. especially by those who wish to preserve those structures. I believe the "safety

net" metaphor is not valid. A safety net is supposed to be a last resort; something to save you when ev-

erything else has failed. A social safety net, therefore, might be a system that saved you from homelessness in the case of joblessness or that saved you from starving in the case of homele

What we more often hear referred to as a "social safety net" is the elaborate system of rules and regulations that attempt to ensure that workers who have jobs will keep them, that real salaries will be guaranteed to increase forever, and that no one should ever have to experience a loss of affluence. This conflicts with the "safety net" metaphor. I propose the phrase "social safety harness" for this system that, far from saving people from the worst, tries to keep them locked in place, come what may.

DENNIS CARNEY.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

### Sure Cure or Poison Pellet: Drowning in a Vitamin Sea.

By Ellen Goodman

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On an average morning you might find her wrapped in the very same blue bathrobe lecturing the squirrel who has taken over her bird feeder. You would not find her having a heart-to-heart talk with beta carotene. Nor with Vitamin E. But today the newspaper that she gen-erally takes with a cup of coffee and a chaser of little pills has dropped another

#### MEANWHILE

dose of uncertainty into her morning regimen. The wonderful little world of vitamin supplements has been thrown into question. The A's and the E's that are supposed to protect her from the Big C may be shirking their alphabetical duty and even hastening the Big D.

In Finland, researchers studied 29,000 men between 50 and 69 years old who were given either vitamins or placebos. It was suspected that the vitamins would help block lung cancer. But smokers who took beta carotene did not decrease that risk; they increased it. Meanwhile, those who took Vitamin E mildly reduced their chance of prostate and colo-rectal cancer. but mildly increased their chance of strokes that involved head bleeding.

The woman hasn't been so appalled by revisionist medicine since the day she dumped three boxes of oat bran into the compost heap. She has not been so con-fused since she found out that "free radicals" had nothing to do with politics and "antioxidants" were not a laundry bleach.

So there she is, at her counter, delivering a morning soliloguy to uncertainty To swallow or not to swallow. That is the question." The vitamins say nothing. Frankly, this woman hadn't given Finnish men a thought since she met a tour group of them in the Soviet Union. In the 1980s, many Finns charted weekend flights to what was then Leningrad for the express purpose of drinking vod-

ka until they passed out. She has no idea how many of those

BOSTON — She is standing in the kitchen talking to her vitamin pills.

This is not something that the woman and beta carotene produces. Nor is it. clear whether research on Finnish men who smoke has relevance for an American woman who does not and is unlikely

ever to be at risk for prostate cancer. But this tale is one of an endless; number of twists and turns in the plot line of modern medicine. There seems to be some sort of planned obsolescence now to medical news. Today's sure cure is tomorrow's poison pellet.

The studies that come tumbling out of earch factories do more than just debunk their predecessors. They offer up platters of unappealing options and confusing odds. Instead of a prescription, you get multiple choices.

If you are that smoking Finn, Vitamin; E may help prevent prostate cancer and ! give you a better chance for a bleeding stroke. But if you are a menopausal 7 American woman, estrogen may protect against heart disease and give you a better shot at breast cancer.

If you run a lot, your bones may get brittle but your heart will stay strong. If you drink wine, you could wreck your liver but lower your bad cholesterol. Which is different from your good cholesterol in ways that escape us.

Meanwhile, if you go out in the sun, you may get skin cancer. If you stay inside you may get depressed. If you worry about all this, you will get stressed out. And in the end, disease may have less to do with your diet than with your DNA. Is it any wonder that the woman in this kitchen has not yet had time to figure out Managed Health Care? It is a full-time -

job managing her own health care.
As for her ode to beta carotene and Vitamin A, well, if medicine were in the commodities market, this week's savvy investor would be buying broccoli futures and selling supplements short. So for the moment, she will cap the

vitamins and bring on the Broccoli Breakfast Crispies and wait for the next medical installment. With luck, those. nasty little researchers will keep their statistics off her chocolate.

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#### **BOOKS**

#### ROALD DABL:

A Biography

By Jeremy Treglown, 320 pages, 52. Farrar Straus Giroux.

Reviewed by Stephen King

A CCORDING to the Puffin editions of his fabulously successiul stories for children, Roald Dahl was "the World's Most Scrumdiddlyumptious Storyteller." Perhaps, But, as Jeremy Treglown's biography makes clear, he lived a less than a scrumdiddlyumptions life. He fought bravely and well as an RAF fighter pilot in Greece, downing at least five enemy planes but before ever firing a shot in combat, he crash-landed a Gloster Gladiator in the African desert. He suffered back pains for the rest of his life and walked with a limp.

He was a compulsive who began saving the foil sleeves of luncheor chocolate bars in the 1930s, mold ing them into a ball which he kept on his desk during his years as Shell Oil employee. He still had the foil ball when he died in 1990.

He was a racist. In the original draft of "The BFG," the big friendly giant sounded like a come dian in a turn-of-the-century min-strel show. Dahl's editor at the time told him straight out that this was a racial stereotype, and Dahl changed his description.

He was also a scatterbrained anti-Semite who saw no contradiction between having Jewish friends and colleagues and disliking Jews in general. In a 1983 newspaper interview. he told a journalist that "even a stinker like Hitler didn't just pick on [the Jews] for no reason.

His family life was marred by a Job-like string of tragedies. To these Dahl responded with ruthless heroism. His son's pram was struck by a taxi in New York and driven into a city bus, crushing the infant inside. Theo Dahl sustained horrifying head injuries. Dahl and his wife, the actress Patricia Neal, were told that the boy would die. Theo did not die; Roald Dahl, it seems, would not let him die. When the boy developed hydrocephalus, Dahl asked a friend to use his hobby — building model aircraft engines — to help Theo. Stanley Baldwin responded by building the first really successful neurological shunt valve.

While Theo Dahl's life lay still at risk, another child, Olivia, died of complications from a case of the measles. She was 7. Two years later, Neal suffered a stroke. She might have died at once had not Dahl recognized what her symptoms meant. He acted promptly, calling a top neurosurgeon who had been consulted in Theo's case only a few

years earlier. In the years following her stroke. Dahl bullied his wife into recovery of her injured faculties - jeering at her, refusing to let anyone help her up flights of stairs or, in the early days, to so much as cut her food Three years after the stroke, she was back in front of the cameras. She couldn't always remember her lines or speak them when she did, but this is not the problem in movies that it is on stage, and the film was

triumph for them both. In 1983, after 30 years of marriage, Dahl divorced her. His enormous income went to his second wife, the much younger Felicity,

when he died. And during all this, like a man playing chess during a carpetbombing, he wrote. His work divides itself pretty neatly into two halves: short stories written for adults and longer ones written for children. The tales for adults, the

lected in "Kiss Kiss" and "Someone Like You," are stories calculated to do nothing more -- or less -than make a kid fall back in his or her chair, laughing wildly and kicking his or her feet in gleeful appreciation. Seen in this way, it might be kinder to let the less palatable aspects of Dahl's life be forgotten:

most memorable of which are col- his work seems to bear little relationship to that life, any more than a rose smells like the compost heap from which it grows.

> Stephen King, whose latest books are "Nightmares and Dreamscapes" and the forthcoming "Insomnia," wrote this for The Washington Post.

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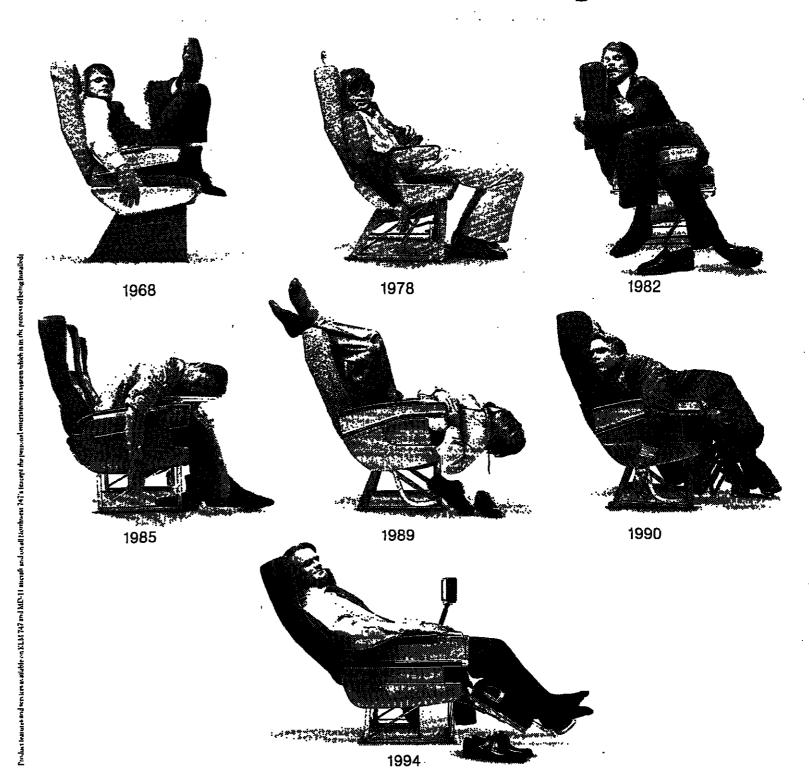
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"ExtraVenous," music by David Linton and choreography by Stephen Petronio, at Lyon Opera Ballet.

### 'An American Evening' in Lyon

By David Stevens International Herald Tribune

YON - With its Maison de la Danse, a biennial dance festival, and the eclectic and well-traveled ballet company of the Opera, Lyon has in little more than a decade become one of the capitals of the dance world.

It has been particularly hospitable to Americans, in a symbiotic relationship that has enriched the European dance scene while at the same time offering American choreographers working conditions that are almost luxurious in comparison with the permanently tough times at home for smaller dance troupes.

Bill T. Jones has recently succeeded Maguy Marin of the Lyon Opera Ballet, a company of 20 or so dancers, classically trained but open to contemporary expression. The company's most recent effort is "An American Evening," three premieres by three American choreographers of the so-called Next Wave, which is no more than a handy umbrella label for a trio of contemporaries. Donald Baechler designed the sets and William Katz the costumes for all three works and the music was live and all American, too, all of which turned out to be elements of diversity as much as unity.

Another unifying element is that two of these dances are decidedly elegiac in mood, touched by the long shadow of AIDS. Jones's "I Want to Cross Over," with the gospel singer Liz McComb powerfully present in the pit with the guitarist Titus Williams, seems an expression of earthly burdens and yearning for release. Jones was a vigorous and dominant central figure, surrounded by 22 dancers whose gestural vocabulary Jones says was drawn from his work with terminally ill people.

Baechler supplied a blue sky streaked with clouds and a trio of symbols — a flat-bottomed boat, a small house and a chimney-like tube. The boat, at first standing on end, is finally lowered, the house becomes its cabin and the tube its funnel, a small steamboat ready to cross whatever river it is to the other side.

One is inevitably reminded that Jones's longtime companion and dance partner, Arnie Zane, was lost to AIDS. Susan Marshall more explicitly dedicates her "Central Figure" to Arthur Armijo, a dancer in her company who died last summer. The male central figure is surrounded by other dancers, supportive and somewhat mournful, in loose-fitting neutralcolored costumes. With the occasional intervention of a scrim, the central figure seems to disappear or to leave the group behind, yet he ins even when going way. The gently fluid choreography plays against a symbolic back-drop suggesting a constantly changing patch-work quilt. Philip Glass's String Quartet No. 5, splendidly played by house musicians, was apt in mood, a work of late romantic persuasion

In "ExtraVenous," Stephen Petronio deploys a total of 18 dancers, but never all at the same time, in a series of quick-changing, high-speed figurations in which a classical line is constantly broken up by modern angularity. Different groups are distinguished by the variety of Katz's white costumes. The whole is set against Baechler's backdrop of crazily exotic flowers, and handsomely supported by David Linton's rhythmically driving quartet, a brilliant melding of viola, cello, trumpet and trombone.

The program is scheduled to take to the road and will be seen in Paris at the Théâtre de la

#### ■ 'Le Parc' at Paris Opëra Ballet

The Paris Opéra Ballet continues to expand its contemporary repertory. After his homage last year to the Ballets Russes, Angelin Preljocaj is back at the Palais Garnier with a new 90-minute ballet, "Le Parc," set almost entirely to various Mozart pieces and evoking the course of erotic passion in a stylized world made familiar by Marivaux and "Les Liaisons Dangereuses."

The work has a dramatic progression that opens with a group dance entitled "members of the two sexes observe one another" and proceeds to the logical conclusion. It is structured in three acts, each of which ends in a pas de deux for the principal couple, progressively labeled "meeting," "resistance" and "abandon." Each of the pas de deux is seductive blend of classical technique and contemporary sensuality, and each is set to a middle movement of one of the piano concertos, an irrestible combination, particularly with Elisabeth Manrin and Manuel Legris as the passionate principal couple.

The group dances that make up the rest of the sections have their moments of wit and insight. Less penetrable are the four "gardeners" who introduce each act, accompanied by taped sonic concoctions. They appear to be manipulators from another world, albeit dressed for underwater fishing.

Hervé Pierre's lavish 18th-century costumes provided the real setting, rather than Thierry Leproust's stylized trees. Jonathan Darlington conducted the Lamoureux Orchestra with some uneven results, and Alain Planes was the fine

"Le Parc" is at the Palais Garnier through April 22, but it surely is a work that will be back

#### LONDON THEATER

# 6 Men, 6 Stories and Tragedy

By Sheridan Morley International Herold Tribune

ONDON - Indirectly derived from "La Ronde" by way of Simon Gray's "The Common Pursuit," Kevin Elyot's "My Night With Reg" (at the Royal Court Upstairs) is an expert gay-chic comedy of tragic manners. More than 20 years after the more out-front homosexuality of "Boys in the Band" or "Torch Song Trilogy," this is an elegant study of men in love with men, precisely the kind of noncloseted, honest entertainment that Coward or Rattigan would have yearned to write had the public of their times been rather more toler-

But there is now of course a specter at the feast: where the unspoken connection of "La Ronde" was venereal disease, so now it is AIDS, from which two of the characters die, offstage, during a brief no-interval 90 minutes. Yet this is not a dance of latter-day death, nor any kind of appeal for understanding or tolerance. Indeed the best thing about "My Night With Reg" is that it goes in for no special pleading of any kind; it simply tells the stories of six men, the parties that bring them together and the affairs that lead to tragedy. There's John (Anthony Calf), a

wealthy "Brideshead" hero; Guy (David Bamber), an adman aching for love of him; Daniel (John Ses-sions), the camp, promiscuous star of the group; Eric (Joe Duttine), the housekeeper whose lower-class morality acts as a corrective to them all, and then Bernie and Benny, the bus driver and plastic-cup salesman who are there chiefly as observers and guests.

Out of this sextet, Elyot carves a short, sharp drama of male emotion that suggests that gays would be no different from the rest of us were it not for a terrible fate that has put them suddenly at high risk. As for Reg. we never get to meet him at all, though by the end of an expertly performed evening, we feel we have known the others all

In Philip Ridley's "Ghost From a Perfect Piace" (at the Hampstead). John Wood, in a massively evil performance as Travis Flood, returns A scene from "Ghost From a Perfect Place."

scene of his '60s crimes in Bethnal Green and is predictably horrified at the changes wrought by 30 years. Graffiti everywhere, punk-rocking kids showing no respect, the East End gone to hell in a hand basket. So different from the dear, dead days when Flood only murdered

those who truly deserved it. But Ridley has something more survey of gangster nostalgia. A

from California exile to revisit the carefully laid plot eventually explodes when Flood is brought up against the leader of a brutal gang of female cheerleaders dressed in

gold lamé. It would be unfair to reveal their precise connection, but a sharp and sinister tale unfolds in which Ridley would seem to be asking us to consider the changing social and sexual nature of street violence. ambitious in mind than a ritual Not only can yesterday's gangsters end up as today's hostages, but

life in downtown Chicago today. In the end, it transpires that there are no perfect places and that the ghosts are only pretending: Neither Flood, nor the old crone who first takes him in (Bridget Turner), nor her granddaughter (threateningly well played by Tre-vyn McDowell as the chief cheerleader) are quite what or who they seem, and all we know for sure is that Joe Orton has here encountered Mickey Spillane up a dark English alley. Matthew Lloyd's production is a masterpiece of kill-

changed, rather as though Al Ca-

pone were to try to make sense of

And talking of menace-master-pieces, Keith Baxter's brilliant rediscovery and rethinking of Patrick Hamilton's "Rope" has transferred to Wyndham's from the Minerva in Chichester with a somewhat revised cast, but Anthony Head still gives a breathtaking performance as the war-wounded poet who comes quite literally face to face with death. If all you know of "Rope" is the Hitchcock movie,

you don't know "Rope" at all. And finally, up at the Almeida, Phyllis Nagy's "Butterfly Kiss," a postmodernist study of a woman who was, unusually, murdered by her mother. Matricide by daughter is rare enough in the annals of drama to ment a play like this; unfortunately, Nagy loses interest rapidly in her Lizzie Borden and the play drifts off into a series of relative character studies, none of which really compels our attention.

Along the way we certainly get to meet some interesting characters, not least Sandra Dickinson as the gum-chewing Countess, who, having stepped out of some minor Tennessee Williams hothouse, memorably announces to those in search of her address, "Moi, j'habite ---

15.

But the characters are all too often in search of their author, and nothing in Steven Pimlott's agile production can really make up for a certain woolly vagueness in the writing. On one level this might seem to be the nuclear family in explosion, but on another it's a moral maze with no way out. Elizabeth Berridge is suitably mysteri-



### Broadway's Disney, Dancing Spoons

By David Richards

EW YORK — As Broadway musicals go, "Beauty and the Beast" pire State Building, FAO Schwarz and the Circle Line boat tours. It is hardly a triumph of art, but it'll probably be a whale of a

It is Las Vegas without the sex. Mardi Gras without the booze and Madame Tussaud's without the waxy stares. You don't watch it, you gape at it, knowing that nothing in Du-

nuque comes close. At an official cost of nearly \$12 million unofficial estimates run considerably higher the Walt Disney Co. has re-created on the stage of the Palace Theatre its 1991 blockbuster animated feature, right down to the ravenous wolves, the dancing spoons and the enchanted rose that sheds its petals as true love's hopes run

Family audiences tired of prancing felines are apt to find this cause for celebration. Others may look upon the spectacle as further proof of the age-old theory that if you throw enough money at the public, the public will throw it right back.

The scenery by Stan Meyer - mostly in that ornate, slightly scary German Gothic style that passes for picturesque at Disney — is almost always on the move. No apparition, disappearance, thunderbolt, rainstorm or swirling fog bank is beyond the capabilities of the show's special-effects engineers.

Any one of Ann Hould-Ward's costumes

would be the envy of a Beaux-Arts ball. And if to bring out the sensitive side of the Beast, partly you thought the chandelier crashing to the stage in "The Phantom of the Opera" was something. wait until the Beast (Terrence Mann), presunt-

Before the spinning is done and you've caught your breath, he has somehow shed all things beastly and become a dashing prince again. (Take that, Siegfried and Roy.)

The astonishments rarely cease. Yet strange as it may sound, that's the very drawback of "Beauty and the Beast." Nothing has been left to the imagination. Everything has been pains-takingly illustrated.

There is no room for dreaming, no quiet tucked-away moment that might encours poetic thought. For an evening that puts forth so much, "Beauty and the Beast" has amazingly little resonance. In the end, the musical says far less about the redemptive power of love than it does about the boundless ingenuity of what is called Team Disney.

The movie's strength — at least from Broadway's perspective — is the Academy Awardwinning score by Alan Menken and his partner, Howard Ashman, who died early in 1991, before work began on the stage version.

Such songs as "Belle," "Be Our Guest" and "Gaston" are happily reminiscent of Lerner and Loewe, and the title number speaks stirringly of love, as few Broadway ballads do these days. To them, Menken, working with the lyricist Tim Rice, has added seven new numbers, partly to underscore Belle's fortitude.

However, the production, directed by Robert Jess Roth, is reluctant to let a song be a song in ably dead, rises up from the castle floor, floats 10 its own way and time. Two kinds of delivery are feet or so into space, then starts to spin like a recognized: the hard sell and the harder sell. "Be Our Guest," the first-act show-stoppe

knows no shame in that regard. Its lavishness is close to delirium, its giddiness beyond camp.

If you are one of the few people in America
who don't know the plot, a wicked witch has
transformed the handsome prince into a cross between Quasimodo and a buffalo, and the staff of the castle is turning into sundry household

objects: teacup, feather duster and the like. Before long, the spatula is cavorting with the fork, the rug is doing cartwheels and the dinner plates are parading down a grand staircase like arrogant showgirls angling for a sugar daddy.

HE choreographer, Matt West, is responsible for this interlude, although Busby Berkeley on magic mushrooms might have staged it. For its duration, at least, the extravaganza elevates "Beauty and the Beast" to a realm of hallucinogenic lunary that surely goes against every sane and sober principle Disney stands for.

The actors resemble their cartoon counterparts as much as real actors could reasonably be expected to. In the case of Susan Egan, who plays Belle, a quintessential Disney heroine, being pretty, unspoiled and plucky (but never rude) is mostly what's required.

Tom Bosley, as her eccentric inventor father, limits himself largely to a dazed and bumbling

### Israel Horovitz and the Paris Connection

By Thomas Quinn Curtiss International Herald Tribune

ARIS - Israel Horovitz, whose plays are as popular in France as they are in the United States, has become one of the most produced American dramatists in French theater history.

"I began coming to Paris in the 1960s when I was told audiences here liked my work," Horovitz explained. "More than 20 of my plays have been produced in Paris and several have had long runs and have returned in revivals. Eight plays of mine have been on the boards during this season."

Born in Wakefield, Massachusetts, in 1939, he was educated in Boston and later studied on a fellowship at the Royal Academy of Dramatic Art in London from 1961 to 1963, He returned to London two years later, the first American to be chosen as the playwright-in-residence with the Royal Shakespeare Company when "The Indian Wants the Bronx" and "Line" were already famous in his homeland, the Continent

Horovitz wrote his first play, "The Comeback," at 19. It had its premiere at Boston's Emerson College. Since then he has had more than 50 plays produced.

Having reached 54, he has not lost his tireless

quest, his contagious optimism or his engaging broad smile. The air of a breezy undergraduate seems to cling to him, though he has married three times and is the father of five children.

During a winter spent in his beloved Paris with his wife and their younger children, Horo-vitz has taken a trio of his short fantasies and united them in a triptych, "Of Rats and Men," and staged it at the Theatre du Lucernaire. He has also completed a new, full-length drama, "Unexpected Tenderness," which revolves around a lower middle-class family. It is slated to open on the Gloucester stage in August and at New York's WPA theater in September.

In his salad days, Horovitz was a novice at Ellen Stewart's Cafe La Mama, a New York

prep-school for theater-folk of all sorts. He not only wrote plays there but also performed and

at times served as stage manager.

In addition to his plays Horovitz also writes for the screen. He acted and wrote dialogues for "The Strawberry Statement," a film about the student riots at American universities in

During the past year Horovitz has completed three screenplays. The first is a biography of James Dean, who was killed in a car crash after sudden success in the movies, in 1955. Horovitz was 16 at that time and like millions of adolescents identified with his hero's celluloid version. The film script seeks to reveal the issues that influenced Dean's destiny.

Horovitz's second scenario is the fourth remake of the 1937 hit, "A Star is Born," in which the late Janet Gaynor impersonated a rising

The third Horovitz screenplay will be a musical comedy, "One Last Dance," starring Patrick

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#### **LEGAL NOTICE**

UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF FLORIDA WEST PALM BEACH DIVISION

PIPER AIRCRAFT CORPORATION,

(Chapter 11) Case No. 91-31884-BKC-RAM

NOTICE OF SUPPLEMENTAL BAR DATE FOR THE FILING OF CERTAIN PROOFS OF CLAIM

TO: ALL PERSONS WHO MAY HAVE CLAIMS AGAINST PIPER AIRCRAFT CORPORATION ARISING OUT OF ACCIDENTS OR INCIDENTS INVOLVING A IRPLANE OR SPARE PARTS MANUFACTURED OR SOLD BY PIPER AIRCRAFT CORPORATION, AND OTHER PEOPLE CLAIMING THROUGH SUCH PERSONS.

THIS NOTICE AND SUPPLEMENTAL BAR DATE DO NOT APPLY TO OTHER GENERAL CREDITORS OF PIPER AIRCRAFT

IF YOU HAVE BEEN INJURED OR SUFFERED PROPERTY DAMAGE IN ANY INCIDENT INVOLVING AN AIRPLANE OR SPARE

IF YOU HAVE BEEN INJURED OR SUFFERED PROPERTY DAMAGE IN ANY INCIDENT INVOLVING AN AIRPLANE OR SPARE PART MANUFACTURED BY PIPER AIRCRAFT CORPORATION, YOU MUST FILE A FORM PROOF OF CLAIM BY MAY 21, 1994, OR YOU MAY BE FOREVER BARRED FROM ASSERTING YOUR CLAIM.

PLEASE TAKE NOTICE that on July 1, 1991, Piper Aircraft Corporation (the "Debtor") filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"), in the United States Bankruptcy Court for the Southern District of Florida (the "Court"). The Debtor continues in possession of its property and the management of its business as a debtor in possession.

PLEASE TAKE PURTHER NOTICE that, pursuant to an order of the Court dated August 26, 1991 (the "Initial Bur Order"), end in accordance with Rule 3003 (c)(3) of the Federal Rules of Bankruptcy Procedure, creditors of the Debtor were required to file on or before November 15, 1991 (the "Initial Bur Date"), a complete and duty executed proof of claim form on account of any claim arising out of airplane accidents or other incidents involving airplanes or spare parts manufactured by the Debtor that any such creditor bolds or asserts against the Debtor.

Debtar.

PLEASE TAKE FURTHER NOTICE that, pursuant to order of the Court dated April 8, 1994, and in accordance with Rule 3003 (ck/3) of the Federal Rules of Bankrupicy Procedure, this Court established a supplemental bur date (the "Supplemental Bar Date") applicable only to those persons who wish to assert claims against the Debtor or its hendruptcy estate arising out of airplane accidents or other incidents involving airplanes or sparse parts manufactured or sold by the Debtor. In order to assert a claim against the Debtor, all such persons must do so by completing a proof of claim on the form approved by the Court, Incinding the questionsubre attached thereto. The proof of claim form may be obtained from either coursed to the Debtor at the address listed below, or the Clerk of the Court, United States Bankruptcy Court, at the address better below to the Clerk of the Court, United States Bankruptcy Court, at may be obtained from either coursel to the Debter at the address listed below, or the Clerk of the Court, United States Bankruptcy Court, at the address listed below. Completed proofs of claim <u>must</u> be filed by malling or delivering each such proof of claim so that it is actually received on or before May 22, 1994, at 5:300 p.m., Mismi, Florida time by the Clerk of the Court at the following address:

Office of the Clerk

United States Bankruptcy Court

51 S.W. First Avenue

Room 1517

Room 1517 Missai, Florida 33130 (Open between 9:80 a.m. and 5:00 p.m., Monday through Friday)

Completed Questionnaires must be filed by malling or delivering each such Questionnaire so that it is actually received on or before May 23, 1994, at 5:00 p.m., Minuti, Florida time, by Piper Afrecraft Corporation at the following address:
Piper Afrecraft Corporation
2926 Piper Drive
Vero Beach, Florida 32960

PLEASE TAKE FURTHER NOTICE that the Bankruptcy Court Order establishing the Supplemental Bar Date provides that the pustionnaire assessed to the Form Proof of Claim must be completed and filed with Piper Aircraft Carporation, as set forth above, in order or a claimant to preserve its rights against the Debtor's bankruptcy estate.

PLEASE TAKE FURTHER NOTICE that you are required to complete the proof of claim and questionnaire amount hereto and file the

death claims or property damage claims, you are required to complete and file the questionnaire when and as specified above.

PLEASE TAKE FURTHER NOTICE that, (i) the establishment of the Supplemental Bar Date; (ii) the issuance of the Court's April §, 1994

Order establishing the Suplemental Bar Date; and (iii) the requirement that certain persons file a proof of claim as described herein, does not and is not intended to re-open the Initial Bar Date for any and all persons and entities who were obligated to file a proof of claim on or before the Initial Bar Date for any and all persons and entities who were obligated to file a proof of claim on or before the Initial Bar Date for any and all persons and entities who were obligated to file a proof of claim on or before me initial flar Date.

PLEASE TAKE FURTHER NOTICE that your influre to file a proof of claims and Questionnaire when and as specified above will result in your being forever burred, estopped, restrained and estopped from asserting any such claim (or filing a proof of claims with respect thereto) and the Debtor and its property shall be forever discharged from any and all indebtoes or liability with respect to such claim and such holder shall not be permitted to vote on any plants) of reorganization proposed by the Debtor or participate in any distribution in the Debtor's chapter 11 case on account of any such claims.

Any questions you may have concerning this notice should be directed to Piper Aircraft Corporation, Legal Department, at (407) 567-4361, ext. 3622.

Dated: Miami, Florida

Dates: Minmi, Piorida
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### Russia Bends on Uranium

New Pitch to EU Hints at Restraint

By Tom Buerkle

International Herald Tribune
BRUSSELS — Russia has revived prospects for reaching a mafor trade agreement with the European Union by offering a compromise on trade in uranium, officials from Russia and the Union said Tuesday.

The so-called partnership and cooperation agreement, which would improve Moscow's access to EU markets and hold out the possibility of an eventual free-trade agreement, is a crucial element in Western efforts to support eco-nomic reform in Russia. But disputes over pranium and banking have deadlocked the talks for the past four months.

The new proposal, contained in a letter sent last week by Economics Minister Alexander N. Shokhin to Sir Leon Brittan, the EU trade chief, would have Russia urge restraint on its exporters of uranium in return for the Union foregoing import quotas or other barriers.

The plan also calls for joint surveillance of the market and consultations before imposing any import barriers.

Sir Leon, who presented the proposal at a meeting of EU foreign ministers in Luxembourg on Tuesday, said it had brought the two sides closer to an agreement. He will meet with Mr. Shokhin to discuss the proposal on April 27.

"It does represent a real attempt by the Russians to move forward. said one European Commission official involved in the talks.

France, the main EU producer of nuclear fuels, was less optimistic. Paris has been seeking to have the materials excluded from the trade agreement so the Union could curb Russian supplies more easily in case of a surge in exports.

A Russian official said his government was insisting that uranium be included in the partnership accord. If it succeeded, he added, Russia would be willing to open up

See URANIUM, Page 12

### EBRD's Critics Fall Silent — Or Nearly So

By Henry Copeland and Erik Ipsen

The publicly funded European Bank for Reconstruction and Development was accused Tuesday of falling short of its mandate to innovate and of acting too much like a private commercial bank.

Speaking on the final day of the bank's two-day annual meeting in St. Petersburg, the vice president of the European Union, Henning Christopher-sen, said, "Our advice to the bank is to take more risks."

But that advice was one of the few critical notes struck at a meeting at which the bank's new president, Jacques de Larosière, the former managing director of the International Monetary Fund, repeatedly heard praise from the governments who are the bank's shareholders for his efforts since taking over its presidency in September 1993.

The bank was set up three years ago to spur development in Eastern Europe and the former Soviet Union, largely through investment in the private sector.

Lawrence H. Summers, the U.S. Treasury undersecretary for international affairs, said in a speech Monday that Mr. de Larosière and his colleagues had "reinvented and reinvigorated" the organization.

The United States, besides being the bank's largest shareholder, is also the nation that reacted most harshly to last year's scandals over its excessive spending. Those scandals caused the U.S. Congress last summer to block a \$70 million allocation for the bank, and it has yet to release those funds. Mr. de Larosière, signaling his intention to test the share-

holder governments' declara-tions of faith in the bank, said

increase in the institution's capital. He said directors would "examine the bank's underlying operational and financial asimptions" with an eye to asking shareholders for fresh capital\_sometime next year.

In contrast to his predeces sor, Jacques Attali, who at last year's annual meeting faced hostile questions about a bud-

The new team has 'reinvented and reinvigorated' the organization.

Lawrence Summers, U.S. Treasury undersecretary.

get that seemed out of control, Mr. de Larosière this year basked in his accomplishment of cutting the bank's budget by percent.

He also won praise for his reorganization of the bank. Among other things, that reorganization allowed the EBRD to expand the portion of its staff that makes loans and in-

Some private bankers working in Eastern Europe said Tuesday that the reorganization also would make it easier for the EBRD to answer criticism about its reluctance to take risks. They said that shortly after Mr. de Larosière took over at the bank, he began pushing to increase the number of staff-

There is a general effort at the bank to be closer to the customer and to be less riskaverse," said Evo Lurvink, cohead of CS First Boston's office

### **Burgeoning Imports** Swell U.S. Trade Deficit

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large capital goods that foreigners need to buy from the United States

The swelling trade deficit brings

negative economic consequences

for the United States. When the

trade deficit grows, it subtracts

from the gross national product.

because it means that an increased

part of domestic consumer demand

is being satisfied by goods and ser-

vices produced abroad.

the trade figures.

trade deficit sourced in February to el on record. U.S. imports of forthe largest level in six years as eign cars also were up sharply, ris-Americans went on a buying binge ing 4.2 percent in February, while trated "the risk to the U.S. recovery." Americans went on a buying binge while the country's economically weaker trading partners bought fewer of its exports.

The Commerce Department said Tuesday that the trade deficit in goods and services was \$9.71 bil- if there is any hope of balancing out lion in February, up sharply from January's imbalance of \$6.64 billion. The delicit in goods alone rose one-fifth, to \$13.89 billion, while America's traditional surplus in services such as tourism, brokerage investment banking insurance and film rentals slid about 11 percent, to \$4.18 billion.

The widening U.S. trade imbalance with Japan and Europe in par-ticular underscores the failure of the Federal Reserve Board's concerns co rose 15 percent over the previous government's efforts to spur its leading allies to cut taxes and lower their interest rates enough to stimulate

about the economy overheating which prompted it to raise interest rates three times since early Februconsumer spending. ary — may be exaggerated, since a
That slow spending is evident in significant portion of the increased

By Thomas L. Friedman

New York Times Service

WASHINGTON — The U.S. 2.5 percent drop in U.S. exports in February, while imports jumped foreign companies and not American ones producing to capacity. Ronald H. Brown, the comp

foreigners bought fewer American aircraft data processing equipment "Both Europe and Japan are now growing substantially below their potential and, by doing so create a drag on the U.S. economy. We continue to urge the other major trading nations to take the policy actions needed to create balanced growth in the world

economy," he said. As has become the pattern, the United States suffered its largest deficits with Japan, at \$4.63 billion; and China, at \$1.65 billion.

But there was one bright spot For the first two months of 1994 year, and exports to Canada were up almost 8 percent, spurred in part by the North American Free Trade Agreement, which took ef 4

### **Interest-Rate Outlook Unnerves Wall Street**

Compiled by Our Staff From Dispatches NEW YORK - U.S. blue-chip of rising interest rates.

After all the excitement, the Dow Jones industrial average of 30 lead- benchmark 30-year bond rose as ing company stocks closed down high as 7.46 percent, up 4 basis just 0.60 point, at 3,619.82. The points from Monday, then slid to broader market was lower, with two stocks falling for every one that rose rose more than half a point. on the New York Stock Exchange. Trading there was active, with 323.3 million shares changing hands.

U.S. federal funds rate and commercial banks' prime rates sent stocks spiraling down in Asia. In Europe, stocks fell too, but the drop was moderated in London when traders saw that Wall Street was not plunging Tuesday, after a 41-point drop on Monday.

The Dow industrials gained as much as 22 points by mid-morning stocks bounced wildly in a range of nearly 60 points on the Dow industrials on Tuesday, prey to volatile gauge then recouped all of its loss Treasury bond prices in a climate and moved higher before a sag in the final minutes of trading.

The yield on the Treasury's close at 7.37 percent as the price "These bonds are so volatile, and

with Fed tightening and the prime rate being bounced up by all these Outside the United States, fall-out from Monday's increases in the said Richard Meyer, head of institutional equities trading at Ladenburg, Thalmann & Co. Expectations that the Federal Reserve Board will decide to raise rates again at its May 17 policy

meeting - the federal funds rate See STOCKS, Page 12

#### Japan Rejects Giving Economy More Stimulus

TOKYO - Japan said Tuesday it would tell its G-7 partners that it had done enough to stimulate its economy. Officials from the Group of

Seven countries will compare notes on several issues — Rus sia, currencies and macroeconomics - at meetings starting this weekend in Washington. The G-7 comprises Japan, the United States, Germany, Italy, France, Britam, and Canada.

"We will tell them that Japan has done enough to stimulate the economy and that some bright signs for a recovery are emerging," a Finance Ministry official said. The Bank of Japan governor, Yasushi Mieno, said: We will watch, for the time being, to see if the bright spots in the Japanese economy will expand and last."

#### MEDIA MARKETS

For more information about the Index, a booklet is ava

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117.75 118.99 -1.04

116.34 117.36 -0.87

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### Turner Plays European Card

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By Richard Covington Special to the Herald Tribi ANNES - Moving to sidestep attempt

to block American media inroads into Europe, Ted Turner's television con-glomerate is launching a Paris-based subsidiary to acquire and produce European pro-Turner Broadcasting System Inc. has taken the

brunt of European anger over invasive American programming, and its decision to create a strategic foothold in the European market is bound to ignite fresh controversy. A low-key birth announcement for the new off-spring, Turner Productions SA, went little noticed at

the just-ended MIP television market in Cannes. But private conversations with Turner executives made clear that the new subsidiary represented a major financial commitment and had already begun signing joint ventures with European broadcasters and

Among them are joint projects with the French pay-television channel Canal Plus, the German-based producer BetaFilm GmbH, and Lux SpA of Turner also will set up an animation division, under the direction of its Hanna-Barbera unit, in a

search for new European animators to dream up what Turner hopes will be the next wave of cartoon Details of the recent decision to create the Euro-

peans of the recent decision to clear the Emo-pean subsidiary have yet to be worked out, accord-ing to a company spokesman. The announcement of executives in charge of the operation is three

weeks away.

Turner Broadcasting System, a media empire
with annual sales of \$2.7 billion, includes Cable
with annual sales of \$2.7 billion, includes Cable News Network, Castle Rock and New Line cinema producers, and a vast library of old Metro-Gold-wyn-Mayer films. Ever since the launch of

Turner's European movie-and-cartoon channel, TNT and Cartoon Network, last September at the height of the vituperative trade talks between the U.S. and Europe, Turner has been under fire. TNT broadcasts classic movies and the Cartoon Network beams "The Flintstones," "Droopy Dog" and other cartoons into 17.5 million European

homes via cable and satellite. Asserting that the networks exceed the European Union's quota restrictions for American pro-gramming, France and Belgium have banned them. The Union is taking Britain to court over allowing the TNT-Cartoon channel on the air. According to the EU regulations, 51 percent of elevision programming must qualify as European, accept for news, a vital exemption for Turner's CNN and NBC's Superchannel.

When Turner launched the Cartoon Channel last

European animators lambasted the move, fearful that the channel, with its massive reserves of cirtoons, would squeeze out European animators. "Why would a French or German station purchase locally produced animation series when they could broadcast the American cartoons at a fraction of the cost?" asked Christian Davin, president of the French animators' union. Turner's latest move should soothe some of the animators' fears. The first initiative of the new Turner Productions arm is the creation of a "shorts" division to take advantage of "the creative input of talented European animators," says Sue Kroll, general

manager of the Cartoon Network. In another deal at the Cannes market, Canal Plus signed on with Turner as a co-production partier in "The Native Americans," a documentary series to be led by native American writers and directors.

Ted Turner initiated the project two years ago as

See TURNER, Page 12

### Chrysler Had Record Net For Quarter

Compiled by Our Staff From Dispatches DETROIT - Chrysler Corp. driven by strong sales of minivans. Jeeps and pickup trucks, said Tuesday it had record profit of \$938 million, or \$2.55 a share, in the first narter of 1994 on record sales of \$13.2 billion.

Earnings were up 77 percent from \$530 million a year earlier, and sales climbed 21 percent from \$10.9 billion.

The results easily exceeded Chrysler's previous earnings record of \$801 million in the 1984 second quarter and its sales record of \$12 hillion in the fourth quarter of 1993.

Chrysler's results were within the range of analysts' expectations. The U.S. auto industry in general has benefited from continuing strong demand for cars and light trucks. Analysts say relatively low interest rates and high consumer confidence also have helped support sales.

Chrysler's share of the U.S and Canadian market during the first three months of 1994 was 15.7 percent, unchanged from a year ago as the company kept pace with an industry that grew nearly 18 percent in a year.

Chrysler was the first of America's Big Three automakers to report first-quarter earnings. General Motors Corp. and Ford Motor Co. are each expected to report quarterly profit of \$1 billion or more (AP, Bloomberg)

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ment. And we provide discreet, efficient service that is among the most respected in banking. Our emphasis on trust,

strength and service has helped us become one of the world's leading private banks. As a subsidiary of Safra Republic Holdings S.A. and an affiliate of Republic New York Corporation, we're part of a global network with over US\$5.6 billion in capital and US\$50 billion in assets. Those assets continue to grow at a healthy pace, a testament to the group's strong balance sheets, risk-averse orientation and century-old

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### **CURRENCY & INTEREST RATES**

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**EUROPEAN FUTURES** 

Undermine Dollar

Poli: NEW YORK — The dollar fell against most major currencies on Ott, Tuesday as stock and bond prices Stra seesawed, fueling concern about ente the stability of U.S. asset markets. "As long as the Fed is raising acco rates, the asset markets will be unlion der pressure, and so will the dolrank lar," said Peter Michaels, assistant

The vice president at Fuji Bank. And dollar by making American assets

Foreign Exchange

more attractive. But this year's slump in U.S. stocks and bonds has kept the dollar from following rates higher, traders said. After Monday's move by the Federal Reserve Board, the rate on overnight bank loans is 3.75 percent, up from 3 percent on Feb. 4, when the Fed raised the rate

for the first time in five years.

The dollar fell to 1.7005 Deutsche marks at the end of New York trading on Tuesday from 1.7080 DM at Monday's close. When the Dow Jones industrial average hit its low point of the day during the afternoon, the dollar hit a two-week low of 1.6957 DM.

The dollar fell to 5.8375 French day and to 1.4434 Swiss francs from 1.4475 francs. The pound rose to \$1.4805 from \$1.4765.

The dollar lost very little ground against the yen, to 103.15 yen from 103.20 on Monday. Speculation that the Fed bought dollars for yen on behalf of the Bank of Japan lifted the dollar from the day's lows. The Fed declined to comment on whether it was active in the market.

A swelling trade deficit weighed on the dollar, too. The government said the U.S. trade deficit in goods Higher U.S. rates should buoy the and services widened 46.1 percent. to \$9.71 billion, in February. A large trade deficit means there is more demand for other currencies needed to buy foreign goods.

Frustration with the dollar's inability to rally also prompted traders to sell it against the mark. "People sold the dollar today because buying it yesterday didn't work," said Jerry Egan, managing

director of foreign exchange at MTB Bank Many dollar bulls gave up on holding the U.S. currency Monday after it failed to hold gains it made in the aftermath of the Fed's rate

increase, Mr. Egan said. Nor did the dollar rise last Thursday after the Bundesbank cut its discount rate to 5 percent from 5.25 percent.

"The Bundesbank cut rates, and francs from 5.8465 francs on Mon-day and to 1,4434 Swiss francs fell," said Chris Widness, international economist at Chemical

### STOCKS: Unnerved by Rates

Continued from Page 11

on overnight interbank loans is now at 3.75 percent - outweighed better-than-expected earnings : from Microsoft Corp., Intel Corp. and Chrysler Corp., traders said.

The concern over rising interest rates hit credit-sensitive market sectors like automobiles especially hard, traders said.

General Motors lost 1% to 55,

U.S. Stocks

Ford gave up 11/2 to 56% and Chrysler surrendered 2½ to 48%.

"People have got to be thinking that with interest rates going up, cars are getting more expensive." Jim Benning, a trader at BT Brokerage, said.

Philip Morris was one of Wall Street's better performers, gaining 14 to 51%. Investors reacted positively to the tobacco and food conglomerate's first quarter results.

Tuesday morning, but then turned down. Mr. Meyer of Ladenburg said investors apparently believed some of these companies were near the top of their profit cycle.

Technology stocks were firm

Intel rose as much as 21/2, then slipped to 571/2, off ). The semiconfirst-quarter earnings of \$1.40 share, up from \$1.24 a year ago. Texas Instruments fell 31/2 to 66%, and Motorola dropped 1 to

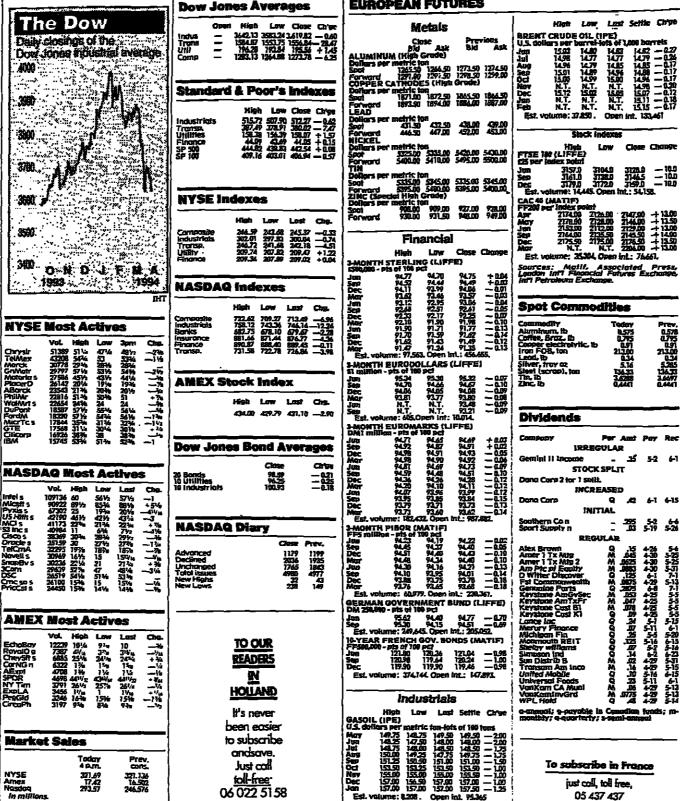
Microsoft was an exception, rising 5% to 88%. Late Monday, the software maker posted quarterly earnings of \$1.11 a share from operations, up from 80 cents a year earli-

In Asia, stock markets stumbled after the Fed move threatened to push up borrowing rates in the region and weaken demand for stocks. Hong Kong was among the hardest hit as investors pulled out of real estate shares that look vulnerable to higher interest rates. The benchmark Hang Seng index was

down 2.2 percent at the close. Australia's All Ordinaries index lost 1.65 percent, and indexes in Singapore, Malaysia and Thailand were down more than I percent.

In London, the Financial Times-Stock Exchange index of 100 leading shares ended off 0.3 percent at 3,138.2, after rallying in late trad-ing in response to Wall Street's morning bounce.

In Paris, the CAC-40 share index finished down 24.08, at 2,160.06. In Frankfurt, the 30-share DAX index lost 56.36, to 2,172.42.



### URANIUM: Russia Compromises

Continued from Page 11 its market to European banks, another key dispute in the trade talks.

In 1993, the Commonwealth of Independent States sold the European Union 3,000 tons of uranium, or roughly 25 percent of EU supply, for around \$1 billion, a commission spokeswoman said. There are no separate figures for Russian exports. but it accounted for the bulk of CIS shipments, she said.

ed work, especially regarding joint surveillance of the market.

■ IMF Loan Approval Likely Officials said Tuesday the International Monetary Fund was about to approve a \$1.5 billion loan for Russia in what amounts to a vote of confidence in Moscow's ability to carry out painful economic reforms, Reuters reported from Washington.

The Fund is expected to approve The commission official said the the loan Wednesday, after months

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### TURNER: The European Card

Continued from Page 11 part of his company-wide initiative to present a far-ranging historical and contemporary portrait of native Americans, through feature films, television documentaries and

In a market climate that has seen international co-production budgets shrink and the popularity of American series slide dramatically, particularly in Europe. Turner Broadcasting is cultivating its Eu-

ropean presence and looking increasingly to home-grown programming for local markets.
So are the American networks NBC. ABC and Fox, as well as emerging audiovisual investors such as Pearson PLC.

As Alexander Isadi, general sec-retary of Luxembourg's RTL Television, observed: "It's not a question of filling quotas; our audiences are giving us the clear and forceful message they want locally pro-

### U.S./AT THE CLOSE

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### Citi and Other Banks Report Strong First-Quarter Profit

NEW YORK (Combined Dispatches) - Citicorp said Tuesday its first-quarter operating profit rose 65 percent, and several other banking companies reported big jumps reflecting improved economic conditions.

Citicorp said it earned \$609 million, or \$1.12 a share, from operations, compared with \$370 million, or 67 cents a share, a year earlier. After a first-quarter charge of \$56 million related to accounting changes, net income was \$553 million, or \$1.01 a share.

"We had a good quarter," Chairman John S. Reed said. "Our strong emerging-markets businesses, continued good operating expense management and significant improvement in credit costs more than offset

Citicorp reinstated its dividend after a three-year hiatus, setting a payout of 15 cents a share payable June 17 to stockholders of record May 31. Separately, Chemical Banking Corp. said operating profit rose 16 percent, to \$319 million, or \$1.13 a share, because of good performance in its core businesses and a sharp decline in credit costs.

The recent quarter's results included a charge of \$28 million for closing

50 New York branches and reducing staff by 650. Wells Fargo & Co., based in San Francisco, said first-quarter net income almost doubled from a year earlier, to \$202 million, because of a sharp decline in loan-loss provisions, and Banc One Corp., Columbus, Ohio, said first-quarter earnings were up 12 percent as retail and

commercial lending both showed improvement. commercial lending both showed improvement.

At Bankers Trust New York Corp., however, first-quarter profit fell 29 percent, to \$164 million, or \$1.90 a share, as revenue from sovereign bond trading, foreign-exchange trading and dealing in debt and equity issues from emerging markets all plunged. (Bloomberg, Knight-Ridder, AFX)

Philip Morris Profit Surges 59% NEW YORK (AP) - Philip Morris Cos. said Tuesday that it posted a 59 percent increase in earnings for the first quarter, compared with results

depressed by an accounting charge a year ago.

Profit rose to \$1.17 billion, or \$1.34 a share, while revenue edged up 2 percent, to \$15.50 billion. But, excluding the accounting charge, the tobacco and food conglomerate's profit was off 3.5 percent. That weakening reflected decreases in premium cigarette prices.

#### Prescription Sales Lift Merck Net

NEW YORK (Combined Dispatches) - Merck & Co. said firstquarter earnings rose 10 percent, to \$675.2 million, from a year earlier on increased unit sales of prescription drugs. Revenue rose 48 percent, to \$3.51 billion, boosted by Merck's purchase last year of Medco Contain-

ment Services Inc., the mail-order drug company.

Among other results in the health sector, Warner-Lambert Co. reported Tuesday that its first-quarter earnings rose 4.5 percent: to \$190.37 million, and American Home Products Corp. said its profit climbed 4 percent, to \$415.8 million.

### Jet Programs Power Lockheed Profit

CALABASAS, California (Bloomberg) - Lockheed Corp. reported Tuesday that earnings rose 21 percent in its first quarter, to \$92 million. led by strength in its fighter and transport jet programs. "In addition to the strong earnings in the first quarter, we produced significant positive cash flow and continued the rapid improvement in our financial position," said Daniel Tellep, chairman and chief executive.

Sprint Net Up 33% on Record Sales

KANSAS CITY, Missouri (Bloomberg) — Sprint Corp. said Tuesday
that its first-quarter profit from continuing operations rose 33 percent,
paced by record revenue and operating income from its long-arms. operations, and from a 70 percent increase in cellular subscribers and 4.9 percent increase in access lines. In the first quarter, the third-largest U.S. provider of long-distance services said profit from continuing operations rose to \$205 million. Revenue rose 12 percent, to \$3.03 billion.

#### Businessmen Give U.S. Top Ranking

GENEVA (Reuters) - The United States is the first choice among top executives worldwide seeking both business opportunities and personal

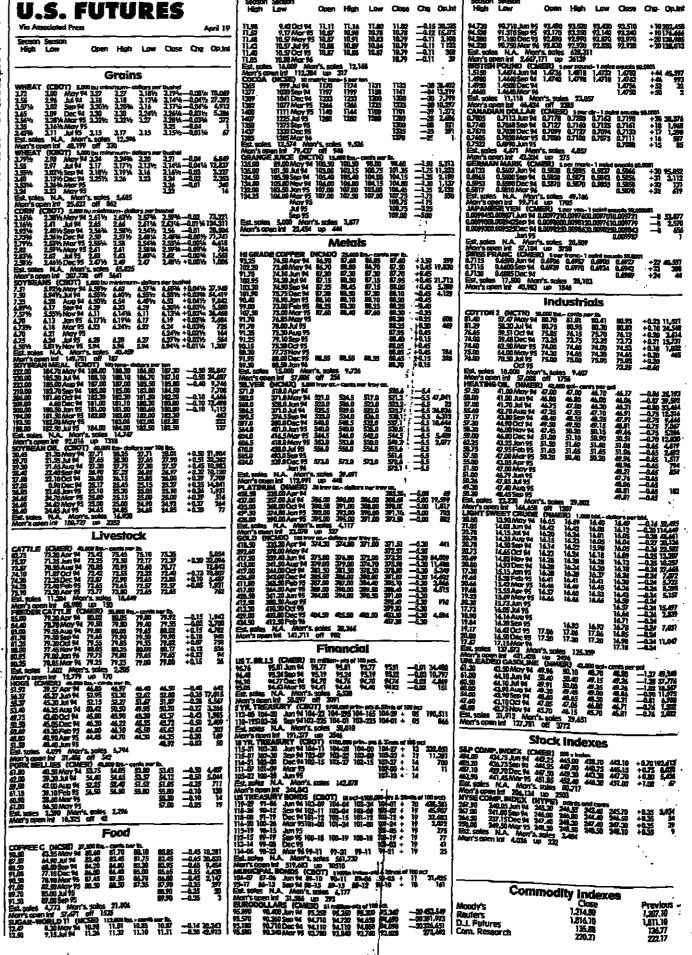
fulfilment, according to a survey published on Wednesday.

China was selected by international business leaders, ahead of the United States, Japan and Germany, as the country likely to be the most competitive in the year 2010. Some 1,747 executives were surveyed by the World-Economic Forum in Geneva and the International Institute for Management Development, based in Lausanne.

#### For the Record

Union Carbide Corp. said its first-quarter net income rose 50 percent, to \$63 million, boosted by cost-reduction programs and improved results

#### **WORLD STOCK MARKETS** ICI B29 Inchrope S.9 Inchrope S.9 Inchrope S.9 Inchrope S.9 Inchrope S.9 Individe Legislater S.9 Lond Sec 6.44 Loporte Land Sec 6.44 Loporte Land Sec 7.5 Lord Se Con Tire A Comfor Contro Contr Paris Accor 721 735 Air Liquide 86 625 Air 190 1300 1333 Accor (Cie) 86 626 Accord Aisthorn 190 1333 Boncoire (Cie) 507 574 Sife 190 1300 1326 Sin P 200 201 Bonrysues 665 683 BSN-GO 407 477 Corus 683 683 Correfour 407 477 Corus 190 111,00 Coru ARINSTER CLAIM ABN Arm's Hid ACF Holding AS 20 83.40 ARSON 78.10 ARSON 78.10 ARD 19.10 ART Nobel ART No 126 40 206 12 115 196 398 89 229 Hong Kong Bk East Asla Caffacy Pacific Cheoris Kora Cheoris C 11.00 17.00 11.00 17.00 11.00 17.00 11.00 17.00 11.00 17.00 ROE Index : 416.45 Previous : 421.43 Brussels 1 2640 2640 4900 4900 1 2390 2290 1 2390 2390 1 179 181 1 179 181 1 159 1391 1 1590 1397 1 1590 1397 1 1 Sao Paulo Sanco de Brasil Sanessa 22 12.90 12.50 Brodesco 13 13.50 Brodesco 20 216 Poromapanema 20 216 Poromapanema 15 15.50 Telebros 25 35.50 Volte Rio Doce 12 1200 Vorte Rio Doce 12 1200 Vorte Rio Poromapanema 1800 Vorte Rio Poromapanema 1800 Vorte Rio Poromapanema 1800 Vorte Rio Poromapanema 1800 Volte Rio Poromapanema 1800 Vorte Rio Poromapanema 1800 Vorte Rio Poromapanema 1800 Sanotanema 1 Johannesburg Johannesburg AECI 22 22.90 Alfect 7 7 73 Arnole Amer 215 206 Borlows 31 20 Blyvoor NA. E 8 Buffets 107-20102-50 Driefrontelin 57 55 Gencov 7,10 9,10 Hormony 20 22,50 Hormony 20 24,50 Hormony 44,50 Hormony 44,50 Hormony 44,50 Hormony 44,50 Hormony 45,50 H MASCRIAI BAV 3120 2050 BAV 2050 Centrol Hiso, 2899 2870 Banco Santonder 100 6060 Sanesto 500 2770 CEPSA 2870 2770 Drugodoa 2230 2215 Endesa 6340 Ercrts 157 156 Iberdrola 1 495 923 Rapaci 4335 4255 Tobocolera 3700 3660 Telefronica 1775 1770 S.E. Gesteral Index : 207.21 Previous : 315.57 Mittart and Go AMitart and Go Trast Frankfurt Singapore 7.866 7.1630 118.400 117.20 118.400 118.400 117.400 117.400 117.400 118.400 11 Banco Comm Bantosi Bantosi Bantosi Bantosi Cirid Ital Enichem Ferfin Parin Ferfin Rise Fito SPA Fitomeccanica Generali Ital Italian Italianobilisme Mediobanca Mantodison Offverfit Piretti Parin Son Poole Toring SiP Solom Sonda Standa Adia Inti B Attasises B new BBC Brwn Bov B CB Heldings B CB Heldings B Fischer B Interdiscount B Jelmall B Landis Gyr R Moovemick B Roche Held PC Softor Republic Sondox B Schindier B Subser PC Sortor Republic Sondox B Subser PC Subser P Ferrings Ferrings Harpener Henkel Hochifel Hochi Stockholm AGA Asea A Asira A Asira A Asira A Asira A Asira Capco Electrolux B Ericason Esseite-A Handelsbanken Invistor B Norsk Hydro Procordio AF Sondyla B SCA-A S-E Benken Skantola F Skantola S KF Affonsyveriden : 1831.72 407 421 1505 344 160 225 114 124 57 150 147 394 75 455 Toronto 16% 50 25% 15% 10.39 1/m 15% 1



# Hoesch-Krupp Loss Doubles On Steel Slump

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HANNOVER. Germany -Fried. Krupp AG Hoesch-Krupp said Tuesday that its net loss more than doubled in 1993, pressed mainly by losses in its steel division, but said that it hoped to break

The German steel company, which was formed by Fried, Krupp AG's acquisition of Hoesch AG two years ago, said its loss for 1993 totaled 590 million Deutsche marks (\$345 million), widened from 250 million DM in 1992.

It said that the company's steel

#### Orders From Asia Lift Mannesmann

The state of the s

Bloomberg Business News

HANNOVER, Germany -Mannesmann AG said Tuesday that a surge in business in Southlar period a year ago, but it did not cite a figure, AFP-Extel News reported from Hannover.

Heinz Kriwet, chairman of Thyseast Asia helped its first-quarter sales rise 14 percent from a year earlier, to 6.6 billion Deutsche marks (\$4 billion), while orders rose 21 percent, to 8.4 billion DM.

outside the European Union rose Speaking at the annual trade fair in Hannover, the metalworking the increase. The domestic market and telecommunications concern's chief executive, Werner Dieter, orders had fallen 3.5 percent during remained in a slump, however, and said foreign orders had increased considerably more quickly than do-

He said figures in the United States had seen a "dramatic in-AG, the company's steel unit. (AFP, Bloomberg) crease" fueled by acquisitions.

### Businesses Hit Russia Tax

Roche Raises Its Payout 30%

ued cost controls.

provement, Roche said.

Compiled by Our Staff From Dispatcher

BASEL, Switzerland — Roche

at Union Bank of Switzerland. She nouncement of 1993 results.

Roche said Tuesday it was said she would stick to her "buy" Roche said it had spent 2.16 bil-

divisions contributing to the im-

AG, reported generally strong sales

MOSCOW - U.S. business leaders on Tuesday assailed the confusion surrounding Russia's recently enacted tax on foreign loans.

Hundreds of millions of dollars in U.S. investment in Russia is being jeopardized by the 23 percent tax, which is imposed on any loan made by a bank that is not licensed in Russia, the American Chamber of Commerce said.

The business group called on Russia to ease the rules, saying the tax could stop foreign banks from lending money to Russian partners and threaten credit from international organizations, such as the World Bank and the European Bank for Reconstruction and Development.

"If these tax inspectors' interpretation is upheld. these loans will not be made," the Chamber said. George Reese, managing partner of Ernst & Young's Moscow consulting division, said many of the loans subject to the tax were for development

in the vital oil and gas sector.

"It is important that this is clarified very quickly so that much-needed loans are not delayed," he said. The Russian finance and economics ministries have tried to allay Western concern over the tax

confusion by denying the existence of a tax on

Holding AG said Tuesday it was said she would stick to her "buy"

foreign loans and saying the government would soon clarify the issue.

Mr. Reese said that until a decree or instruction ciarified the tax, the Chamber's more than 176 members should reconsider loans that might be targeted by tax inspectors. "This means that a significant source of capital will not currently be vailable to Russian entities." he said.

Larry Anderson of Coopers & Lybrand said tax inspectors might not be distinguishing between legitimate loans and trade transactions disguised as loans. The latter should be subject to the taxes. They've interpreted all loans to be a camouflage for trade transactions," he said.

Mr. Reese said there had been cases of trade transactions being presented as loans to escape tax. But attempts to crack down on this were bringing legitimate loans into the net.

The Chamber said there had been speculation among its members that authorities were seeking to protect Russian banks by applying the taxes only to loans by foreign banks not licensed to operate in Russia.

"It would be one way to ensure that loans are made through Russian banks," Mr. Reese said.

### At Pechiney Compiled by Our Stuff From Disnatches

**Metal Glut** 

**Means Loss** 

هكذامنالأصل

PARIS — Pechiney SA, France's state-controlled aluminum producer, said on Tuesday that oversupply of the metal on world markets had plunged the company into loss in 1993 but that it still hoped to be privatized this year.

The net loss of 980 million francs (\$168 million), contrasted with a 203 million franc profit in 1992. Pechiney International, a two-thirds-owned subsidiary, reported a sharp fall in profit to 294 million

francs from 1.97 billion, mainly due to weakness in its beverage-can business in the United States. Pechiney SA's core aluminum business showed an operating loss of 302 million francs, compared with an operating profit of 621 million in 1992, as the average alumi-num price last year fell 9 percent, to

\$1,161 per metric ton. "Production is completely excessive compared with demand," the chairman, Jean Gandois, said.

Although he said Pechiney would break even in 1994, as aluminum prices and world demand revived, he also said there was no chance of bringing inventories back down to reasonable levels for

of production capacity and contin- 15 percent of group sales. It said another 18 months. most of that spending -- 1.81 bil-Mr. Gandois said he hoped that Sales rose to 14.3 billion francs lion francs—had gone to the phar-Pechiney would be privatized by the end of the year, although a In its divisional breakdown. report in Le Monde said the gov Roche said sales had risen 13 perernment had put off a planned Two other Swiss drug compacent in the pharmaceutical divi-nies, Ciba-Geigy AG and Sandoz sion, to 7.81 billion francs, 7 perlink-up with an independent electricity producer. Compagnie Na-tionale du Rhône. Aluminum cent in the vitamins and fine for the first quarter of 1994 on chemicals division, to 3.27 billion Monday and predicted improved Swiss francs.

(AP, Bloomberg, AFP) smelting requires vast amounts of

energy. (Reuters, AFX, Bloomberg)

#### Investor's Europe CAC 40 Exchange. 42145 118 7,501.68 7,578.44 -1:01 DAX 2,172/42 2,228/18 -2.55 PAZ 838.20 948.68 1.52 HEX 1,792.35 1,817.45 ,-1.85 Frankfurt Financial Times 30 2,485.00 2,485.40 0.95 FTSE 100 3,126.00 2,786.20 0.33 Beneral Index 307.21 815.20 2.33 London General Index 1,234.00 NA

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#### Very briefly:

Viennie Stock Index

Ireland named Maurice O'Connell as the next governor of its central bank. Mr. O'Connell is currently the undersecretary for monetary affairs at the Treasury; he will replace Maurice Doyle, who is retiring at the end

 London International Group PLC, the British maker of condoms and surgical gloves, plans to cut up to 1,000 jobs and close its three domestic plants to shift production to cheaper offshore facilities. It also will sell 'noncore" assets to raise £19 million (\$28 million) to fund restructuring.

Rhône-Poulenc SA's purchase of Cooperation Pharmaceutique Française has been approved by the European Commission, which found the purchase did not violate the European Union's merger regulations.

• France's trade surplus widened to 5.4 billion francs (\$924 million) in February from 2.605 billion francs in January.

• Pharmacia Biotech AB, the Swedish pharmaceutical company, is beginming a three-year program to concentrate production into fewer factories. • Unidansmark A/S, the Danish banking company, earned 885 million kroner (\$132 million) in 1993, but its management said the results were still unacceptable and did not offset losses of 7.42 billion kroner since 1990, when the company was created.

### **Germany Pushes Bonn** As WTO Headquarters

BONN — Economics Minister Günter Rexrodt said Tuesday that the German cabinet was likely to agree within the next two weeks to formally request that the headquarters of the new World Trade Organization should be based in Bonn.

He said that Germany would base its case on the fact that it is the world's second-largest trading country, it does not host any comparable international institutions and it made a major a strong competitor.

contribution to the Uruguay Round of trade talks.

lion DM and would again post a loss in 1994, although the deficit

this year would be "distinctly re-

unit, which the company said post-

ed a "slightly negative result," was the only other division that suf-

"The deep economic slump was exacerbated by the need for wide-ranging structural adjustments,"

said Chief Executive Gerhard

Cromme. "These hit the Krupp

group and all comparable competi-

tors, and the negative develop-

ments on the steel markets cast a

Sales fell 10.2 percent, to 24.18

Thyssen AG, another major Ger-

man steelmaker, said that orders

rose 2.5 percent in the five months

ending in February from the simi-

sen, said that orders from countries

19 percent, accounting for most of

Mr. Kriwet said the company's

earnings continued to be pressed

by steep losses at Thyssen Stahl

shadow over all other sectors."

Rise in Thyssen Orders

The mechanical-engineering

Bonn, the former West German capital, is still the seat of government of united Germany, but most ministries will move to Berlin by the end of the decade.

Mr. Regrodt said that Geneva, current site of the headquarters for the General Agreement on Tariffs and Trade, which the WTO is due to replace, would be

## Bonn Warns Banks on Schneider Affair

recommendation on Roche stock. lion francs last year on research

profit resulted from increased use than it spent in 1992 and equal to

from 13.0 billion francs, with all maceutical division.

The company said the improved and development, 8 percent more

raising its dividend 30 percent, to

48 Swiss francs (\$33) a share, be-

cause of a profit increase last year.

share and dividend rights certifi-

cate, a nonvoting security, compared with 37 francs paid for 1992.

1993 group net profit rose 29 per-cent, to 2.5 billion francs, slightly

exceeding the average forecast by

expectations, while the dividend in-

crease is slightly above," said Birgit

"The earnings are in line with my

analysts of a 27 percent rise.

The planned dividend for each

The drug manufacturer said

FRANKFURT — Germany's banks were warned by Günter Rexrodt, the country's economics minister, that they must act to prevent a crisis of confidence over the collapse of the Schneider real estate empire. Separately, the daily Die Welt said it would

report in Wednesday's editions that Jürgen Schneider, the chief of the empire who disappeared with his wife over Easter, was living on an island off the West coast of Florida in a villa that has been rented for four weeks.

The report said that Claude Bühler, a Swiss interpreter working for the World Cup soccer organization, had recognized Mr. Schneider and spoke to him by posing as a gardener wanting to mow his lawn. According to the report, Mr. Schneider said: "We can talk about

anything but not about the financial issue." Mr. Rexrodt said that he believed German banks would respond to his call to help compa-nies hit by the failure of the real estate group. He said that he believed the banks "realized"

that they "could get into a crisis of confidence." The collapse of Mr. Schneider's empire was discussed by the German cabinet, which was worried about the fate of small suppliers and the image of Germany as a financial center. Meanwhile, Deutsche Bank AG, Germany's

biggest bank, continued to defend itself for helping Mr. Schneider to amass bank debts of 5 billion Deutsche marks (\$2.92 billion). In an interview with the Frankfurter Allge-

meine Zeitung. Deutsche Bank board member Georg Krupp conceded the bank would review its procedures for making large loans. But he added, "We have no knowledge of grave mistakes at the bank."

Deutsche Bank, Mr. Schneider's biggest creditor, has been criticized by state prosecutors for holding back information relating to the demise of the real estate company Dr. Jürgen Schneider AG, a claim it vehemently denies.

The bank was also forced to deny rumors on the Frankfurt exchange that Deutsche Bank board members had been arrested on suspicion of taking bribes from Mr. Schneider's compa-

A spokesman said this was "an absurd asser-tion with no basis in fact." The rumors had depressed the Deutsche Bank share by 30.50 DM, or nearly 4 percent, to 748 DM during floor trading. Later the stock recovered to 755.80 DM, down 22.70 DM, or 2.9 percent.

### **GAN's Profit Disappoints**

disappointed investors, but the compercent, to 402.80 francs.

pany said things would get better. "Our results should rise significantly in the years to come," the chairman, François Heilbronner, said after GAN reported a 3 percent rise in net profit, to 414 million

French francs (\$71.4 million).

GAN had predicted a significant PARIS — Groupe des Assur-ances Nationales, France's third-as last October, and Tuesday's anlargest state-controlled insurer, on nouncement sent the stock turn-Tuesday reported 1993 results that bling 19.20 francs, or more than 4

Mr. Heilbronner said GAN's improved earnings prospects should clear the way for the company's sale by the state by early next year.

(Bloomberg, Reuters, AFP)

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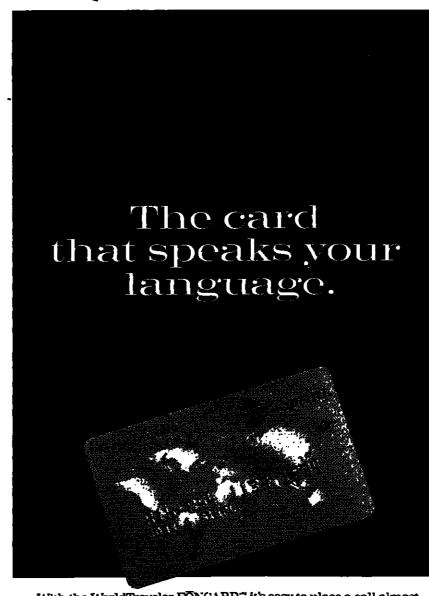
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M. BLINITE BITH THE NEW YORK TIMES AND THE WASHINGTON POST

# JAL Offers Incentives For Early Retirement

TOKYO - In an effort to trim its work force to cope with slumping business, Japan Air Lines Co. said Tuesday it would offer incentives to employees over 30 to en-

courage early retirement.

JAL, Japan's largest airline, had said in January it hoped to reduce its work force by more than 4,000 by March 1998. The company said it hoped about 550 workers would apply for early retirement.

and reduced hiring also are yen and that for a 35-year-old cabin planned to help bring the work force down to 17,400 from its pre-sent level of 21,650, a JAL executive said. The planned reduction includes 3,300 ground workers, 900 cabin attendants and 50 cockpit crew members, he added.

The airline posted a pretax loss of 53.8 billion yen (\$506 million) in

1992 and is expected to announce a 30 billion yen loss in its 1993 financial year, which ended March 31.

The year, which ended March 31. The company has said cost-cutting measures should help it break even in its 1994-95 financial year.

Employees who take early retirement by August will receive up to 18 extra months of basic pay in addition to their ordinary retirement hoped about 550 workers would overall retirement payment for a 40-year-old university graduate ground worker now would be 16.2 million payments. The executive said the attendant would be 10 million yen.

The airline also planned to cut costs by replacing some Japanese flight attendants with foreigners. JAL plans to reduce the number of Japanese cabin attendants to 4,600 from 6,000 and raise the number of non-Japanese to 1,000 from 500. JAL pays non-Japanese employ-

than 600 cable-television opera-tors, said STAR was overcharg-

had signed a \$9.5 million-a-year contract with STAR to be the

sole agent for Star Movies, he

said the price was an overcharge

of at least 100 percent and said

cable-TV operators were ex-

Officials of STAR in Taiwan

Taiwan cable-TV operators

also plan to boycott STAR's four free channels.

pected to share the costs.

refused to comment

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Saying a Taiwan company

ing for its new channel.

"Sales operations will be drastically re-examined with more use of

subsidiary companies to develop a more flexible, efficient and costcompetitive structure," the compa-The airline's restructuring plan

also includes a cut in capital invest-

ment to 440 billion yen by the end of the 1997-98 financial year from a previously planned 840 billion yen. JAL executives also will take pay cuts ranging from 13 percent to 30 percent to share the company's financial difficulties with other employees. But the company would

before or after the cuts. JAL shares gained 8 yen to 709 in heavy turnover Tuesday on the Tokyo Stock Exchange. (AP, AFP,

not disclose the executives' salaries

### Japanese Investors **Beat Retreat From** U.S. Real Estate

Los Angeles Times Service

LOS ANGELES - Burned by recessions and falling real estate values on both sides of the Pacific, Japanese investors now trying to sell or lower the debt on a staggering 40 percent of the American office towers and other commercial properties they have purchased over the past eight years, according to a survey by an accounting and consulting firm.

These holdings are valued at

\$77 billion.

In a dramatic sign that big foreign buyers no longer sec owning U.S. properties as a surefire way to make money, the report by Los Angeles-based Kenneth Leventhal & Co. said that Japanese investors bought only \$705 million in American real estate last year — a mere 4 percent of the \$16.54 billion they invested when their buying binge peaked in 1988.

Nearly all of the 1993 investments went to finish up projects the Japanese had begin years ago, primarily hotel ventures in Hawaii, said Jack Rodman, the Kenneth Leventhal partner who compiled the annual survey.

For the first time since Leventhal started publishing the annual study in 1986, sales, foreclosures and loan-restructurings by Japan-based companies actually surpassed the amount of their brand-new investments in America.

In a sense, Mr. Rodman said, the survey's findings mark the official end of a nearly decadelong buying spree in which Jap-anese investors purchased some of America's most treasured properties, including Rockefel-ler Center in New York and the Pebble Beach golf course in Northern California.

Many of those deals have soured. Pebble Beach was sold by its Japanese owner for an estimated \$340 million loss in 1992, while Mitsubishi Estate Co.'s controlling interest in Rockefeller Center is worth less than its share of the mortgage.

The Japanese began to slow their U.S. investments in 1990, shortly after their own stock market began falling and recession tightened its hold on the economies of both the United States and Japan.

Japanese investors "are in a very delicate position right now," said Yukno Takenaka of Takenaka & Co. Investment, a Los Angeles-based firm that provides advice to Tokyo-based companies. "If they keep the properties they have here, some will continue to lose millions of dollars. But if they sell all at once, they could make a bad

### Citicorp Awaits Fine In India

هكذامن الأجهل

WASHINGTON - Cricorp ex-

pects to be fined by bank regulators in India for its involvement in a securities scandal that led to the collapse of the Bombay stock market in 1992, according to company documents.

A spokesman for the New Yorkbased bank holding company de-clined Monday to elaborate on the size of the expected fine. The com-pany's annual report on file with the U.S. Securities and Exchange Commission, which made the dis-closure, said any fine imposed would not have a material impact on the company's finances.

Citicorp, three other major international banking concerns and sev-eral Indian banks have been under investigation in India for two years, but the Citicorp report contains the first admission that the company expected to be fined as a result. The banks are accused of misre-

porting millions of dollars and illegally diverting government bonds to make funds available to selected stockbrokers for quick speculation. The improper transactions were a factor in a tamble in the Bombay

stock market in which millions of middle-class investors lost heavily. Citicorp, BankAmerica Corp., Standard Chartered PLC of Britain and ANZ Grindlays Bank PLC of Australia were named, along with Indian banks in the investigation of improper securities dealings, India's regulators have said.

The incident led Citicorp to take a \$64 million pretax charge last

Reliance Posts

Reuters
BOMBAY — Reliance In-

dustries Ltd. said Tuesday its

profit grew a stronger-than-expected 79 percent, to 5.76 billion rupees (\$185 million), in the year ended March 31. Analysts said the results at

the textiles and petrochemi-

cals concern, India's largest

private company, heralded an

mproved performance for

"One would expect a similar

kind of growth in earnings of other big companies," said R. Balakrishnan, of DSP Finan-

cial Consultants in Bombay.

several industrial sectors.

Surge in Net

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#### **Very briefly:**

**Investor's Asia** 

Singapore intends to plow 20 percent to 30 percent of its investment capital into developing Asian nations, largely China, Vietnam, India and Burma, Prime Minister Goh Chok Tong said.

Royal Bank of Scotland is to sell its 64 percent stake in Associated Merchant Bank Pte. of Singapore to a Hong Kong-based venture, UMF, owned by Jardine Pacific Ltd. and General Electric Capital Services.

 The Asian Development Bank's president, Mitsuo Sato, said Asia-Pacific countries will soon feel the effects of a loan squeeze as donors focus on the enormous needs of Russia and Eastern Europe.

• Mobil Corp. signed a production-sharing deal for the Thanh Long oil field off Vietnam. Crestone Energy Corp. began a Chinese-backed search for oil in South

China Sea waters that also are claimed by Vietnam.

• Daimler-Benz AG said its sales in China reached 1.3 billion Deutsche marks (\$760 million) in 1993 and will grow strongly this year.

 The Bank of Japan said money supply, measured by M-2 plus certificates of deposit, expanded 2 percent in March from a year earlier, the fastest pace of growth since December 1991. AFP, AFX, AP, Renters

#### DEAN WITTER WORLD WIDE INVESTMENT FUND

Société d'Investissement à Capital Variable Registered office: 14, rue Aldringen, L-1118 Luxembourg Commercial Register: Luxembourg Section B n° 21.325

Notice of the Annual General Meeting of Shareholders The Annual General Meeting of Shareholders of DEAN WITTER WORLD WIDE INVESTMENT FUND, SICAV will be held at its registered office in Luxembourg, 14, rue Aldringen, on April 29, 1994 at 2.00 p.m. for the purpose of considering and voting upon the following mediants. tollowing matters:

To hear and accept:
 a) the management report of the Directors
 b) the management of the Auritor.

 To approve the statement of net assets and the statement of operations for the year ended December 31, 1993. To discharge the Directors with respect to their performance of duties for the period ended December 31, 1993.

4) To elect the Directors to serve until the next annual general meeting of shareholders.

5) To elect the Auditor to serve until the next annual general meeting of shareholders. 6) Any other business.

The shareholders are advised that no quorum for the statutory general meeting is required and that decisions will be taken at the majority of the shares present or represented at the meeting. In order to take part at the statutory meeting of April 29, 1994 the owners of bearer shares will have to deposit their shares five clear days before the meeting at the registered office of the Fund, 14, rue Aldringen, Luxembourg, or with the following bank:

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The Board of Directors

### Bank Bumiputra Is Up for Sale

KUALA LUMPUR — The Malaysian government is willing to sell its entire stake in the state-owned Bank Bumiputra Malaysia Bhd., the deputy prime minister, Anwar Ibrahim, said Tuesday. "The government is agreeable to the idea of selling

the bank to a party which we think can manage the bank well," said Datuk Anwar, who is also finance minister. He refused to comment on market speculation that Landmarks Bhd., a Malaysian hotel developer, had been chosen to take over 60 percent of the bank in a bid valued at 1.7 billion ringgit (\$633 milion). Land-

marks has denied the rumor. Any application to buy Bank Bumiputra will have

TAIPEI - Cable-television

operators said Tuesday they

would boycott STAR TV's new

pay channel for movies because

the Hong Kong-based satellite

broadcaster was charging too

STAR planned to launch Star

Movies Wednesday in Taiwan,

where cable-television operators

have aired its programs without

the Community Antenna Asso-

ciation, which represents more

Chiang Te-le, president of

paying royalties since 1991.

**Taiwan Cable-TV Firms** 

Plan a Boycott of STAR

to be made through Bank Negara, the central bank, Treasury officials said.

Bank Bumiputra is wholly owned by Minister of Finance Inc., the government's investment arm.

The bank is Malaysia's second-largest, with assets of more than 23 billion ringgit. It is believed to have accumulated losses of more than 1 billion ringgit at the end

of last year, though it is expected to post a pretax profit of 350 million ringgit for the year ended March 31. The bank was set up 29 years ago largely to provide financial assistance to indigenous Malaysians. The government has twice bailed Bank Bumiputra out of financial difficulties, and banking analysts said the government now wanted to sell.

### Rolls-Royce Gets China Outlet

BELJING - Rolls-Royce Motor Cars Ltd. signed an

agreement Tuesday awarding Inchcape PLC exclusive rights to import and distribute its luxury cars in China. The signing ceremony was held at China's Great

The Asian unit of Inchcape, a British automotive trader, plans to establish import centers in Beijing. Shanghai and Canton and appoint dealers on Hainan Island and in Canton, said Ian Skeggs, the company's director for the Asia-Pacific region.

He said Inchcape had sold 51 Rolls-Royces to

customers in mainland China via its franchise in Hong Kong since 1992.

The buyers included foreign joint ventures and luxury hotels, but most were private Chinese business-

men, Mr. Skeggs said. The mainland deal includes the right to sell Bentley cars, but Rolls-Royce models so far have proven more

popular, said Michael Donovan, a Rolls-Royce maning director. Mr. Donovan said he expected sales to reach about

100 a year within a few years. "There's obviously a very good demand here for luxury goods, whether it be cars, clothing or jewelry."

Counting China's 150 percent import duty, a Rolls-Royce Silver Spur costs an average of 3,750,000 yuan (\$430,000). In Hong Kong, company executives quoted a price of £133,800 (\$197,000) and said that was before the

import tax, dealers' commissions and other fees. Mr. Skeggs said 94 Rolls-Royces were sold last year in Hong Kong, where there are similar taxes.

Although the cars are out of the reach of most people in China, where urban per-capita average 2,340 yuan a year, those who have money like to flaunt it. (AP. Reuters, Bloomberg, AFP)

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# Germany

### In the East, A Feeling of **Optimism**

By Elisabeth Noelle-Neumann

LLENSBACH, Germany --- If you sent three reporters to Eastern Germany today with the question, "How would you describe the East German mentality and how would you say it has changed since reunification?" they would be very likely to return with three different answers - and all three would be correct. The first would describe the economic situation, the second would address attitudes toward democracy and the market economy, while the

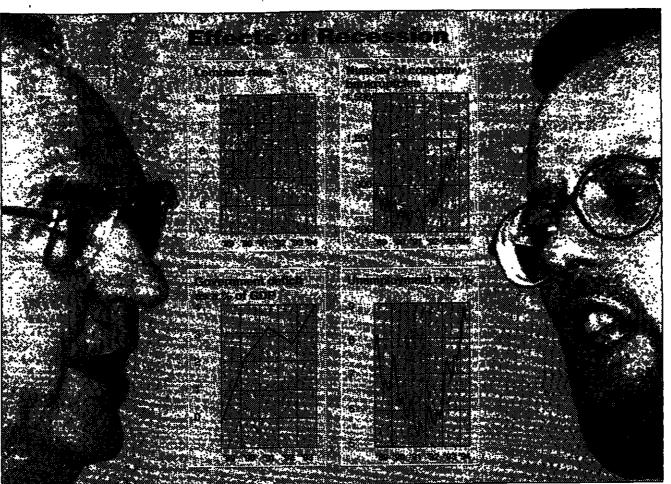
third would reflect a sense of national identity. In the winter of 1989/1990, after the fall of the Berlin Wall, much was said and written about newly won freedom, about the tremendous experience of the "Monday demonstrations" in Leipzig and the sudden awareness throughout the nation that: "We are one peo-

As early as February 1990, however, public attention had turned to the economic aspects alone. While this was understandable initially in light of the monetary reform and economic union scheduled to take effect on July 1, 1990, the economy continued to be the only subject worth talking about subsequently. All efforts were devoted to the transformation of the socialist planned economy into a market economy and the race to catch up in terms of income, in order to match the West German standard of living as quickly as possible.

There was such an outcry over the collapse of many businesses, the loss of security that had previously been taken for granted, the increase in unemployment and the harshness of the competitive economy that the change in climate in August 1991 went unnoticed. At the time, the East Germans outdistanced the West Germans in terms of optimism.

Since then, East German response to the question, "Is it with hopes or with fears that you view the coming 12 months?" have consistently been 10 to 15 percentage points ahead of

West German hopes. Another question that has been posed each month by the Allensbach Institute since April 1990 reads: "As far as you're concerned, is German reunification generally a reason to rejoice or a cause for concern?" While the ratio of respondents who feel reunification is a "rea-



### Recession Shakes Nation's Confidence

By Craig R. Whitney

ONN - The exuberant self-confidence and arrogance that made Germany's neighbors nervous when the country was remified in 1990 has been shaken by the worst recession since the post-World War II recovery

Few Germans talk much anymore about the "model Germany" they touted in the mid-1970s, when Bonn's welfare state, wage levels, and such things as 30 days' annual vacation for every factory worker were the envy of much of

the rest of Europe.
From Chancellor Helmut Kohl to his Social Democratic challenger in the October national elections, Rudolf Scharping, German politi-cians these days are talking instead about the need to make their economy more competitive

by reducing government regulations and "en-crusted" labor practices that make production costs in Germany among the highest in Eu-

Britain's far less regulated economy has been growing for the past two years. Germany's gross domestic product shrank by about 2 percent last year and no one except the govern-ment expects it to rise out of the doldrums by more than 0.5 percent this year. Unemployment, hovering around 4 million, around 10 percent of the labor force, has not been so high since the 1930s.

The picture is not all black. "The Germans will make an economic comeback, don't you worry about that," Mr. Kohl said confidently a few weeks ago, and few doubt that they will. They have also resigned themselves to the fact that repairing the crumbling physical and

economic infrastructure of the live formerly communist states of Eastern Germany will cost the prosperous west about 170 billion Dentsche marks (\$100 billion) a year for the next 10

But four years ago Mr. Kohl was saying that

it would take only a wave of the hand and a few years to transform the east. It is not only the economic setbacks that have been chastening. In the flush of unification, Germans heavyhandedly promoted national self-determination for others, dragging their European Community partners into recognizing Croatia and Slovenia at the end of 1991 without sufficient insistence on protecting the rights of ethnic minorities. Some German officials now acknowledge that their haste fanned Serb fears

that led to aggression in Croatia and later in Continued on page 18

### **Economy Is Top Issue** As Elections Near

Will Kohl Be Out Before Upturn Comes?

By Brandon Mitchener

ONN — The German economy, Europe's biggest, is catching its breath for a recovery from its worst recession since World War II, but the government of Chancelior Helmut Kohl might

After 12 years in power, Mr. Kohl faces the greatest contest of his political career as indications mount that the recovery will arrive well after federal parliamentary elections in October. Moreover, voters are painfully aware that the recovery, when it comes, by itself will be too slow to put the country's nearly 4 million jobless back to work anytime in the foreseeable

An experienced statesman who devoted much of his attention over the last few years to European integration, Mr. Kohl now faces a nation whose interests are singularly domestic:

jobs, crime and taxes.

Economics Minister Günter Rexrodt predicts the economy will shake off recession and resume steady growth by the autumn, with pan-German growth amounting to 1.5 percent this year. But many private-sector economists

Recent data show economic activity stabilized in the first quarter after weakening toward the end of last year. Analysts at Goldm Sachs in Frankfurt cited a steady rise in business confidence and an improvement in new orders to manufacturing industry as evidence that the economy is likely to pick up in the second quarter.

"We expect the two main forces presently driving the West German recovery -- construction and exports — to pull the gross domestic product higher in the remainder of this year and to lay the ground for an eventually broader-based recovery in 1995," Goldman said in a recent report.

Herbert Hax, head of an independent advisory board known as the five wise men, is convinced that the economy will bounce back in 1995 at the earliest.

As the economy gathers steam and inflation and interest rates decline, meanwhile, uneanployment has entered the limelight as a nagging

Part II of the Germany special report will appear in Thursday's paper.

problem that won't go away whether the recovcry comes now or later. "Despite the signs that the economy will turn the corner soon, the job market is in desolate shape," said Günter Kann, an economist at Deutsche Industriebank.

In March, 3.9 million Germans were registered jobless, including 2.64 million in Western Germany and 1.26 million in the East. Another 460,000 West Germans and 135,000 East Germans were working shorter shifts and thousands more were involved in government retraining and make-work schemes.

Albrecht Schmidt, a member of the board of Bayerische Vereinsbank AG in Munich, said a recovery will not completely compensate for the economic damage the recession has done.
"It is in particular hardly to be expected that unemployment slip back to the level at which it rested before the recession began," he said. Before the recession, only about 2 million peo-

ple were jobless in all of Germany.

Mr. Schmidt cited a variety of negative factors including continuing recessions elsewhere, German exporters' sluggish adaptation to a strong Deutsche mark and the level of German wages, which remain among the world's highest despite a recent turn toward austerity.

Only the economic condition of Germany's trading partners gives cause for hope anytime soon, Mr. Schmidt said, pointing out that the United States and some other export markets are already on the way to recovery. New jobs in the service sector are making up

for some of the cuts in industry, but not fast enough to keep the seasonally adjusted unemployment figure from rising for several more Otherwise, the Bundesbank's reduction of in-

terest rates has been agonizingly slow and may have stopped. Public-sector borrowing, which puts upward pressure on rates, has been growing Brigitte Schulz, a political analyst at Nomu-

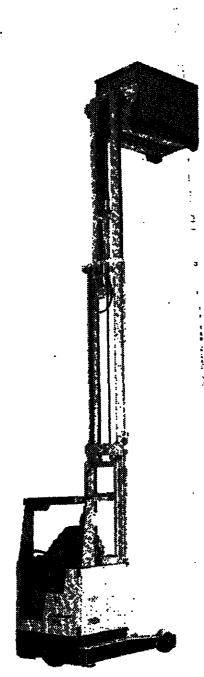
ra Research Institute Deutschland in Frankfurt, said the Greens "are the only ones trying to come up with fundamentally new answers to the unemployment crisis" and noted similarities between their economic program and that of the liberal Free Democrats, the junior partner in the current governing coalition. Both parties are promoting deregulation

privatization, job creation and environmental protection. The main difference between them Continued on page 18

Continued on page 18.

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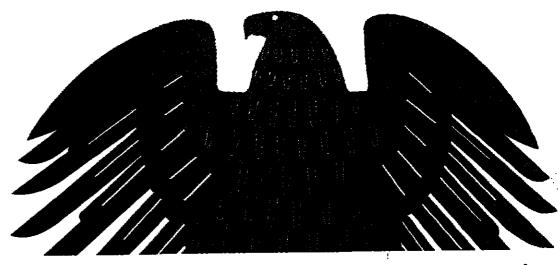
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# Election Scenario: Key Is How the Free Democrats and the Greens Do

By Erwin Grandinger

ERLIN - Germany is holding 19 elections this year, including a presidential election scheduled for May 23. After the first two of them, there is some chance that the Social Democrats will be in and the ruling Christian Democrats will be out after the round of voting ends with federal elections Oct. 16.

But it is still too early to give up on the present CDU/CSU/FDP coalition government, as a recent rebound in approval rates for Chancellor Helmut Kohl and his CDU has shown after an announcement of possible tax increases by his opponent, the Social Demo-crat leader, Rudolf Scharping. While a Grand Coalition wouldn't be per-

ceived as necessarily negative, an SPD-Green Party coalition on the federal level would raise grave questions in and outside Germany. The Greens want to abolish the North Atlantic Treaty Organization and the German army, for instance. SPD/Green governments are quite normal on the state level, as in Hessen or Brandenburg, but at the federal level no one could predict the survival chances of such a government - which by definition would be

political philosophics.

Mr. Scharping will make strenuous efforts to avoid this eventuality. Nevertheless, the Octoher election results could oblige him to combine with the Greens or the ČDU to form a majority in the Bundestag, or Lower House. In fact, Mr. Scharping watched the Greens' move back to the "fundamentalist" stance at the last party conference with disdain.

The former Bundesbank president, Karl Otto Pöhl, a longtime SPD member, is being wooed as shadow SPD finance minister. Such an appointment would add votes from the conservative electorate and calm financial markets that are jittery over an SPD federal victory. Most significantly for Mr. Scharping, having Mr. Pohl, a strong critic of Bonn's excessive fiscal expansion of the early 1990s. on the team would finally lay to rest the suspi-cions of fiscal irresponsibility that dog his

What is not clear is how a Pohl appointment could be squared with the private agreement last year that the SPD vice-chairman, Oskar Lafontaine, should be offered a "super ministry," heading both the economics and finance

June 12 is next crucial date on the German

political calendar. This marks elections for the European Parliament as well as for the government of at least one state and no fewer than nine local elections. By this time, just four months before the federal ballot, results will begin to foretell the outcome at the federal

The Greens will perform very strongly over the next few months despite their drift back toward a hard-line platform, and they may become the big winner of super election year

At the last party convention, in March, the "realist" wing, led by its highest-profile official, Joschka Fischer, who is the environment minister of Hessen, was defeated and members voted to abolish both the German army and NATO, to increase gasoline prices to 5 Deut-sche marks per liter (\$12.45 per gallon) and to close all nuclear power plants immediately.

The liberal FDP party, meanwhile, is facing its deepest crisis since 1949. Since the Brandenburg elections on Dec. 5, the FDP has lost every state election it fought. In Hamburg and Lower Saxony it did not exceed the 5 percent threshold needed for political representation. It seems not likely, but there is some risk that the FDP may fail for the first time in the postwar period to win representation in the

The FDP is in danger of confusing its fundamental electoral message. It lost the Lower Saxony elections because it made a last-minute swing toward the SPD, saying it would be willing to join the Left in a coalition government. Now, FDP members are criticizing Gunter Rexrodt, the federal economics minister. accusing him of not being sufficiently aggressive in the discussion about Germany as a competitive production site.

Political insiders agree that the FDP leader, Klaus Kinkel, is overburdened because he is both FDP chairman and foreign minister at the same time. This has two consequences: A decrease in approval rates for the FDP and the creation of inner-party competitors for Mr. Kinkel.

Jürgen Möllemann, the former economics minister who had to resign because of a scandal in January 1993, has established himself as a rival and does his best to sabotage Mr. This quarrel will diminish still further the FDP's chances of overcoming the 5 percent threshold at the federal level.

The Social Democrats under Mr. Scharping. meanwhile, have been hurt by a suggestion that they would increase the unification surcharge tax on the wealthy. This reflects the basic philosophy of the SPD economic program, which is to reform taxation by shifting the burden of income from the low-paid to the apparently wealthy. The plan to increase the surcharge tax was heavily criticized by the media and will cut into SPD support if it reawakens the electorate's perception of it as

the party of higher taxes. Throughout his whole political life, Mr. Scharping has sharply criticized the Greens and would no doubt prefer a coalition with the Free Democrats. As premier of Rhineland-Palatinate, he selected the FDP as coalition partner and not the Greens, despite the fact that the latter was a more acceptable coalition partner within the grass-roots, and that a "Red/Green" coalition already existed just across the Rhine river in Wiesbaden, capital of Hessen, However, Mr. Scharping is too shrewd a politician to approach the Greens now unless they make a sharp U-turn to seriously denounce their declared policies on the army and

Consequently, it is still too early to take a coherent view on the likelihood of a Grand Coalition. So far, the SPD has performed well and shrugged off the burst of popularity enjoyed by the governing CDU after its February party convention. The CDU is in crisis, but this will change as it always has shortly before

The key factor determining the next govern-ment remains the fate of the Free Democrats. As long as their support holds, and they achieve the 5 percent threshold for parliamen tary representation, the SPD faces a tough

ERWIN GRANDINGER is managing director of Grandinger Associates, a Berlin-based politi-cal consultancy for financial institutions.

### In the East, the Outlook Is Optimistic

Continued from page 17

son to rejoice" or a "cause for concern" is about I to I in Western Germany, joy wins out by almost 3 to 1 among East Germans. Only 12 percent of respondents in late 1993 said they would rescind reunification if it were feasible. The most recent Allensbach survey, con-

ducted in March 1994, shows that the economy is finally beginning to blossom in Eastern Germany. Sixty-seven percent of the East German population report that things are definitely looking up in their immediate surroundings; 61 percent say they have made gains thanks to reunification, while 25 percent feel they have lost out as a result. The standard of living, the level at which households are equipped, is by and large in line with the standard in Western Germany. The discretionary income of East German households has increased by leaps and bounds and is now almost at West German

If asked how the mentality of the East Germans has changed since reunification, a succinct response would be: "Not at all." The economic transition, the adjustment to the more generous West German social security system (pensions have almost tripled within four years), the transformation of private lifestyles — all of these changes have occurred without a rejection of socialism and a turn to

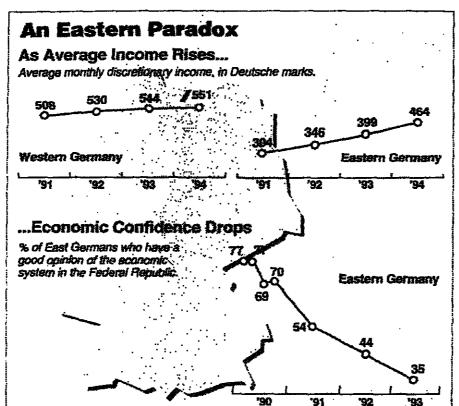
parliamentary democracy.

The question, "Do you think that socialism was a good idea that was badly implemented?" drew almost exactly the same responses in Eastern Germany in December 1992 as in the spring of 1990 in what was then the GDR: About three-fifths of the East German population felt this was true, 24 percent did not believe so, and one out of five was undecided.

The market economy is viewed with great reserve. As was the case in all socialist countries around the world, in the former GDR the market economy was merely a symbol of a high views in March 1990, almost the entire population expressed support for the market economy.

But only six months later, in the fall of 1990, a growing desire for a utopian "third course" was evident, as shown by the following question: "Recently somebody said to us: With reunification, a real chance was lost to create a new form of government that combines a market economy, humane values and socialism.' Would you also have liked a new form of government, or are you quite satisfied that the Federal Republic's

form of government won out?"
In the first year following reunification, the East German population was split on this question, with about 40 percent on each side. Today, almost half of the East German population would prefer a form of government in



Source: Allensbach Archives

which a market economy, humane values and socialism are combined and only one third still feel that the market economy is the proper foundation for politics and society. No thought is given to the question of how an economy works and how it finds the reserves to transfer about 500 billion Deutsche marks (\$300 billion) from the West to the East to rebuild the new East German states.

Similarly, the East Germans' comdemocracy is now on shaky ground. In 1990, it looked as if parliamentary democracy would be accepted by the population as a matter of course. For decades, the East Germans spent evenings in their living rooms watching West German television, which seemed to explain the seemingly effortless transition to the West German democracy. But then uncertainty set in. better?", three-quarters of the West German population have said for the last 25 years that our democracy is the best form of government," with only 10 percent disagreeing. In East Germany, 41 percent felt it was "the best form of government" in the fall of 1990, as compared with only 31 percent today. The percentage of persons who feel that "there is a different form of government that is better"

rose from 19 percent in 1990 to 28 percent in March 1994. There is widespread uncertainty: Today, 41 percent of the East Germans say they "don't know." The problems inherent in the transition to democracy after 50 years of dictatorial rule have been underestimated.

This portrayal would be incomplete if the third essential element were not considered: They may not hold the same opinions, but as their views on the meaning of life and the things they feel they can take pride in as Germans East and West Germans are as much alike as brothers and sisters. The "wall in their heads" after the fall of the Berlin Wall is a stereotype created by journalists and not a reflection of reality. And thus, out of 20 concerns that the Allensbach Institute has asked respondents about every month since the spring of 1990, the possibility of "tension breaking out between East and West Germans" has always ranked last or second to last.

ELISABETH NOELLE-NEUMANN is director of the Allensbach Institute for Public-Opinion Research in Allensbach, Germany

Continued from page 17

is a more interventionist attitude among the Greens, who advocate "post-materialist," "zero-growth" economics.

Amid an array of evidence that job creation will remain a problem no matter who wins the election, not a few economists are noting that German exports, a traditional pillar of the nation's economy that performed poorly in 1993, are buoyant again. Foreign orders for West German consumer goods rose 9.3 percent in January and February this year relative from the year-earlier period, and though they include orders from Eastern Germany, the numbers are strong enough to suggest that the widely reported demise of German competitiveness was premature.

German products may well be over-engineered and overpriced when the mark is at 15 or less to the U.S. dollar, but at the current level of 1.7 and higher, combined with a steady appreciation of the Japanese yen, it seems that overseas demand for German goods has suddenly bounced back.

The Economy Is Top Issue for Voters

In addition, German companies have awakened to the potential of booming markets in Asia. Exports to the region surpassed exports to North America in 1992, and companies'

efforts in Asia got even stronger in 1993.

Domestic demand, meanwhile, is considered likely to remain sluggish as consumers remain worried about job security, declining real wages and uncertainties related to the federal

parliamentary elections in October. Rudolf Scharping, the SPD candidate for chancellor, has been taking pains to define him-self and his party as a viable alternative to Helmut Kohl, who has ruled the country for the last 12 years. "There's a deep disappointment with the economic policies of the federal government —if it has any, which I deeply doubt," he

"A lot of people are watching with astonishment as the SPD is returning to the political to strengthen "cooperation" between govern-ment and business, boost incentives for investment in Germany, earmark more funds for research and development assistance and 'modernize" the German social state, Mr. Scharping said.

While many of these proposals sound familiar, and some suspicious, pollsters show Mr. Scharping running neck and neck with Mr.

Significantly, voters give Mr. Scharping better marks on tackling unemployment, according to Elisabeth Noelle-Neumann, head of the Allensbach Institute of public opinion re-search. While the CDU still gets better marks for overall economic competence, "the population doesn't see that unemployment and the overall economic development go hand in hand," she said.

BRANDON MITCHENER is Frankfurt correspondent for the International Herald Tribune.

### Recession Shakes Nation's Confidence

said in a recent compaign appearance.

Continued from page 17

Bosnia, with catastrophic results.

Germans can do no more about the economic and political weight they carry than their present chancellor can about his imposing physical size, but at least they try to tread more cautiously nowadays.

Even so, Foreign Minister Klaus Kinkel's vigorous insistence this winter on bringing Austria, Norway, Finland and Sweden into the European Union for what Germany believes is much needed fiscal "balance" against the poorer Mediterranean states made French dip-

omats, among others, uneasy.

Mr. Kinkel vigorously denied reports that during the negotiations on admitting them, he had threatened to break the backs of Spanish delegates unless they eased up on their demands for fishing rights in Norwegian waters. But there seemed little doubt that Greece's weak EU presidency in the first half of this year played into the hands of the Germans and others who favored rapid enlargement, and that they made the most of the opportunity.

Germany will take over the EU presidency on July 1, and has already made clear that it will press for membership by the turn of the century for Poland, the Czech Republic, and Hungary — near neighbors that it dominates

Militarily, Germans have been more reticent - too much so for Americans who welcomed the logistical and financial support Bonn provided during the Gulf War in 1991, but would have welcomed troops fighting by their side as

Now the Germans say they cannot provide

ground troops to help UN peacekeeping forces in Bosnia, or anywhere else where actual fighting is going on until the issue of whether peacetime missions beyond Germany's bor-ders violates the 1949 constitution has been resolved. Mr. Kohl's government sued itself in the German Constitutional Court to get a decision and in the meantime has allowed German military personnel to fly in the air-control missions that guided NATO bombers into action over Bosnia. It also sent 1,500 soldiers to a pacified region of northern Somalia last year, but withdrew them when President Bill Clinton pulled U.S. troops out of Mogadishu.

Provided that the court rules in June that such roles do not violate the constitutional ban on wars of aggression, Mr. Kohl says he is ready to make sure Germany does its bit. Mr. Scharping says much the same thing. "I have the feeling that enthusiasm for missions like Somalia has sharply diminished, in the United visit to the United States in April he gave his strong support to NATO air strikes in Bosnia.

Mr. Scharping and many other Germans also believe that they will continue to need to be aware of the sensitivities of the victims of Nazism for years to come, even after his own postwar generation comes to power.

But as the war becomes more distant, Germany will inevitably become increasingly inclined to pursue the German national interest as its leaders see it.

This clearly means within the European Union context. But professions that German leaders want a European Germany rather than a German Europe will not reassure those like Lady Thatcher of Britain, who tried to hold up unification when she was prime minister.

The real proof of where German loyalties lie may become clear over the issue of European monetary union. Here the question is whether. in 1997 or later, Germans are willing to let other countries help determine Germany's economic future by surrendering monetary sovereignty to a European central bank that they can only influence, not control.

"We cannot be a central bank for Europe." said Hans Tietmeyer, president of the Bundesbank, when he took office last October, when the ideal of a common currency seemed to be, shipwrecked on the shoals of German insistence on giving the light against inflation priority over economic expansion.

Achieving prosperity and creating jobs will be the economic priority for whatever govern-ment is elected in October, and both politicians and labor union leaders know it will be a long. hard task.

talk these days about how to cut the high cost of labor so that the quality and craftsmanship they still pride themselves on is not simply priced out of the global market. This year, the major German labor unions have agreed to wage increases of less than 3 percent, less than anticipated inflation.

It may be the first sign of a new, sober economic realism that the biggest change unification brought was the challenge of adapting to a totally new world -- economically, politi cally, and psychologically.

CRAIG R. WHITNEY is Bonn bureau chief of The New York Times.

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# Bonn Seeks Expanded Function for Bundeswehr

By Joseph Fitchett

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ASHINGTON - Even faster than predicted at the mo-ment of reunification, Germany's military forces are vinning domestic backing for a full-ledged international role in combat missions aloneside that ions alongside their allies in NATO and n the European Union, Ahead of national elections this fall,

colitical leaders of the three principal paries are counting on a court ruling by summer to lift the main legal roadblock to Jerman troops' participation in United Vations operations.

That legal shift combined with current teps to restructure the Bundeswehr round forces, will align Germany much nore closely with its European allies and with NATO in its new U.S.-led role as an ntervention force.

Even though it will take several years for Jermany to field militarily potent forces, he new political posture will strengthen he government's hand in forging European policies and reinforce Bonn's claim to a remanent seat on the Security Council. The ruling in the Karlsruhe court will

selp political leaders out of an embarrassng dilemma, probably enabling the main sarties to agree to commit German troops : o action with a simple majority vote in ∵ıarliament

That would end the political gridlock in lonn on the question of whether or not a onstitutional amendment is needed to lift he post-World War II ban on German

roops operating outside Western Europe. Unsettled questions will remain, nough for campaign debates to show diferences between the two main parties, but dications are that the main legal queson will have been settled by the court uling," according to Henning Wegener, n aide to Chancellor Helmut Kohl with

extensive experience in Allied military af-

fairs.

Lifting the legal objections to foreign operations by the German military forces does nothing tangible to ready the Bundeswehr to operate effectively in crises of the sort liable to confront allied nations in the forecastly furnished. the foreseeable future.

Drastically down-sized as part of the reunification accord in order to reassure other European countries about the power of a fully sovereign Germany, the Bundeswehr is handicapped by deep cuts in delense spending — especially for new weap-onry, on which Germany is now spending only half as much as either France or

This shortage of funds will slow up the implementation of the blueprint released last month for the future armed forces of Germany. The goal, officials said, is to re-organize the Bundeswehr in a way that allows crack German units to undertake new missions alongside their allies and still leaves a home army as a defense guarantee

against any revived threat from the East. The key innovation is the creation of highly mobile units designed to operate far from Germany, the Crisis Reaction Force, similar to French and British teams designed to fit into NATO's concepts of rapid-reaction forces to deal with any emergency that jeopardized European sta-bility.

Germany's nascent force will consist of five brigades, amounting to 50,000 men and the equivalent of two divisions roughly the same troop strength committed to NATO's rapid-reaction force by the other main allies. Unlike British and French units, however, German forces were so totally integrated into the NATO system that they had no national command structure of the sort they will need in the new alliance approach to expeditionary missions on Europe's periphery or in the Middle East and Africa.

For this new role, "our forces lack the command structure, the right weapons, the training." Mr. Wegener explained. As a result. Germany will need at least until the end of the decade to be ready to play a full military role alongside France and Britain, the two most active U.S. allies in Europe.

Even so, the impending legal shift — ending a ban imposed after World War II that is incompatible with Germany's return to full sovereigny — is a welcome development for politicians in Bonn and for allied leaders.

Germany's political parties are anxious to get in step with the growing public mood, which is ahead of the party leaders' in seeking a larger role for the nation's

German opinion, alarmed by the Balkan turmoil on their borders, shows a steadily rising trend in the five years since unity in support of full participation in all UN missions — and in support for the North Atlantic Treaty Organization, which has now recovered to Cold War levels of 70 percent of Germans, polls

Scenting a chance at power, opposition Social Democrats are staking out electoral positions designed to depict them as reli-able leaders who can be trusted by both voters and allies to continue the main thrust of the security policies pursued by the ruling Christian Democrats.

For Mr. Kohl's coalition, it would be a considerable relief to have a court ruling that backs the government's decision to dispatch German units to UN peackeeping missions in Cambodia and Somalia and allow German crews to fly the Airborne Warning and Control System, or AWACS, planes guiding NATO lighter

strikes in Bosnia.

Besides vindicating his policies, a favorable verdict would end friction inside Mr. Kohl's own government because of objections by his junior coalition partner, the

Liberals. Heirs to the cautious approach of Hans-Dietrich Genscher, the former for-eign minister, the Liberals insisted on the need for a constitutional amendment clarifying the issue. That would require a two-thirds parlia-

mentary majority, a political impossibility because so many Social Democrats still hold near-pacifist objections to a new military role for Germany. But if the Karlsruhe court ruling does endorse the Kohl government's view that no constitutional objection exists, the Liberals can side openly with their Christian Democratic

The change would be unreservedly welcome in Washington, where the Clinton administration has actively sought to see a

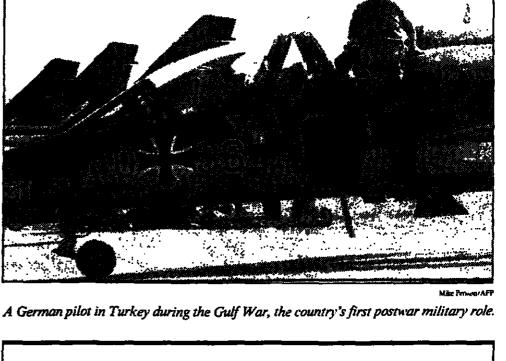
larger military role assumed by Europe — in effect, by Germany. Other Europeans, notably the French, will have to accept the disappearance of another shackle on German authority. There will be some nagging doubts in Paris because Germany is assuming a larger role faster than most people expected. but the change is inevitable if Europe is to acquire a defense dimension," according to François Heisbourg, a French defense

For example, the change will suddenly give substance to the Franco-German corps — a 50,000-strong joint force conceived as the embryo of a European army. So far, the Franco-German corps has been only a political ploy — "virtual reality," Mr. Heisbourg called it.

But if German troops could expect to serve on actual missions, as part of a European force carrying out UN missions, the Franco-German corps "could become serious business quite fast," Mr. Heisbourg said.

JOSEPH FITCHETT is on the staff of the International Herald Tribune.

ALLIED



### **Angst Over Leadership Role**

### Can Germany Avoid 'Muddling Through'?

By David Anderson

ERLIN - The experts who had long predicted that Germany would be divided well into the 21st century were proven wrong in November 1989, when the German nation became one. No senior German statesman, entrepreneur or academic was prepared for this revolutionary turn of events.

Whatever contingency plans existed in the drawers of the top politicians, economists, scholars and think-tank experts were written for worst-case sce-narios — Soviet invasion of Western Europe, further repression in Eastern Germany, etc. Nobody had planned a best-case scenario.

These events brought real confusion to Germany. Those who looked beyond the early post-Wall euphoria foresaw the economic burdens that would fall upon the Federal Republic of Germany (but not the extent of those burdens); they understood that a nation divided for over 40 years would not be easily put together in political or social

And, while they were aware of the Stasi spy networks, they had no concept of the thousands of East Germans who were caught up in that system, wherein relatives, friends, neighbors, colleagues regularly spied upon each other. Most important of all, the West German elite had no idea just how bankrupt, rotten and run down the entire GDR economic system actually was. And, sadly, in the end they found no natural "democrats" who could manage the affairs of the former East Germany.

But as the economic implications of unification became clear, what had began as a fairy-tale ended with the witches and goblins winning out.

The West Germans, angry and frustrated over higher taxes to support the run-down East German economy, think the East Germans do not work hard enough and do not produce on a par with their West German counterparts. Complaints of the East Germans over the differentiated wage structure abound. Unemployment, ever the sore point of any industrial society that has fallen on bad times, is too high. The recession will not go away. And there is a need for a profound and early restructuring of the German economy as a whole. These issues, enough to stir a national debate,

find few German politicians of any party or any stature ready for this sharp discussion. Reunification is running into serious difficulties

just when Germany needs to remake its economy so as to be able to compete with the Americans and Asians. Germany is facing its worst economic times since World War II, just when it achieved its almost unimaginable goal, the unification of the

The West German economy was already stumbling when the West Germans tried to export to the ex-GDR their own version of a market economy --- with relatively high wages, a social network and a can-do mentality — to a population that simply had no comprehension of what the "Wes-sies" meant or wanted.

Unemployment, especially among the young in the new Länder, is unacceptably high. Restructur-ing of the German economic base is still in its early years. Inflation is acceptable by any normal Western standards. (Only the Bundesbank seems to think otherwise, but that is another story.)

These economic problems make Germany look weak, leaderless and without a vision for the future. When the leading country in Europe is in such a situation, one has little difficulty in understanding the angst that afflicts all Germans and Germany's neighbors and allies.

TITH the economy in trouble and no clear solution in sight, politicians and political parties have become the focus of widespread popular criticism. The leaders and their parties seem unable to cope. If there is any factor that will tumble politicians out of office, it is the feeling by voters that their chosen leaders cannot solve pocketbook issues.

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Germans are also facing pressure because of their huge foreign population. Recently passed changes in the asylum laws will surely cut back significantly on the number of asylum seekers, but will not change the fact that Germany is already a country of immigration. There are 6.5 million nts in Germany and still some 3 ethnic Germans in Eastern Europe and the former

Rising immigration in the early 1990s brought an upsurge in xenophobia, acts of violence (includ-ing 17 persons killed and almost 600 injured in 1992) and an increase in popular sentiment in favor of the neo-Nazi and right-wing parties. Where this will lead in the 1994 elections is an open question. But the right wing of the German political spectrum is at present gaining support.

Conversely, the former East German SED (now PDS) that was so thoroughly in disrepute only a few years ago is reemerging as a political force in the East. It is not unthinkable that some 10 to 15 percent of the population of the former GDR -if not more - will vote for the old and new faces in the PDS. This is not catastrophic since that group will, at best, have a small minority in the Bundes tag. But it is worrisome that the old SED seems capable of evoking among many ex-GDR voters memories of the "good old days." Thus the October national election is likely to

Continued on page 21

# Bittersweet Farewell to Arms

By Michael Kallenbach

ERLIN - Saying good-bye, even at the best of times, is a painful experience. But an unexpectd bitterness is marking the plans or departure of foreign troops rom Berlin this summer, thanks o political rivalries.

Chancellor Helmut Kohl, who is ghting to stay in office after poor oll showings ahead of October's - lections, has seized the occasion - or his own political gain. He has ecided to personally supervise the ntire Allied troop withdrawal cermonies and has told his aides to rrange nothing without his aproval. In a grand symbolic gesure, he has even promised to shake he hand of the last Russian soldier refore he departs German soil. Under the terms of reunification,

Western . ected the former West Berlin since he end of World War II can only save once the last Russian soldier In taking the actual arrangenents out of the hands of Berlin, there in almost 50 years, the Allies

ave become part of the communiy. he has in the process angered the xal mayor, Eberhard Diepgen. As one Berliner complained: "It as supposed to be Berlin's way of sying auf Wiedersehen and thank ou to the soldiers who have procited us over the years. It wasn't stended for the Bonn politicians ) move in on the arrangements." Horst Dohm, the mayor of Wilversdorf, a district of West Berlin as even more insistent. He said "I on't like what they're doing in onn, and whatever their decision, e'll have our very own way of lying farewell." Subsequently, arious companies and politicians

ave banded together to arrange a

series of unofficial events so that vid Bromhead, head of the British the locals can mingle with the soldiers before they leave.

Few commentators expected the Allied departure to take on the added political dimensions. It all began last November when Mr. Kohl was in Moscow and was told by President Boris N. Yeltsin that the departing Russian troops were not to be accorded second-class

Mr. Yeltsin will visit Germany twice this year - once in May, and then again in August for the depar-ture ceremony that will honor the Russians stationed in what was once East Germany.

"Why shouldn't we march next to the U.S., British and French troops?" insisted General Matwej Burlakow, Mr. Yeltsin's top official in eastern Germany. "The cold-war

But the Western Allies would argued, the cold-war era may well be over, but the Western Allies were in Berlin for a different purpose than the Soviets. "We weren't the occupying power and the for-mer Soviet Union was our enemy," said an American military man. After World War II, the three Western Allies - the United States, Britain and France - were given responsibility for various sectors of West Berlin, powers that ceased to exist with unification in October

The Americans led a campaign to push the Russians to have their own farewell ceremony. The French, too, were upset, saving they were not willing to sneak out of Berlin "quietly" after making so many friends here. Meanwhile, the British diplomatically pointed out that it was up to Bonn to tell them what to do.

"Our marching bands and men will be ready," said Brigadier Da- Mr. Yeltsin's example and return

Brigade stationed in Berlin, "but the decision is not up to us. We have to wait for instructions from Bonn. After all, we're only guests

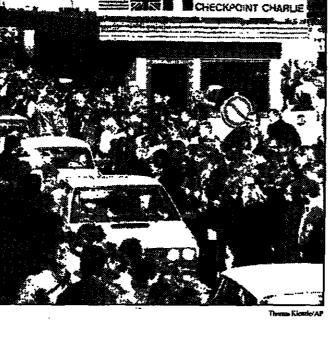
But the instructions were not forthcoming as Mr. Kohl's advisers pondered what to do for weeks and how best they could placate the Russians. When the announcement came, it was from Mr. Kohl himself, shortly before Easter

Two separate ceremonies, one for the Russians and another for the three Western allies, were agreed on. So as not to offend the Russians, there will be no marching bands, Mr. Kohl said, no holding hands under the Brandenburg Gate and no walkabout on the Unter den Linden, the famous Berlin boulevard. The Bundeswehr, the German army, which was absent from Berlin until the fall of the Wall, is also upset since the soldiers wanted to make themselves better known to the locals and take part.

With so many "sensitive" sites in Berlin associated with the Third Reich era, Mr. Kohl has opted for a wreath-laying ceremony at the Luftbrücke Memorial at Tempelhof Airport, the site commemorating the 1948 Berlin airlift, which enabled the West Berliners to survive an 11-month blockade imposed by the Soviet Union. There will also be a ceremony of

speeches with music at the Schau spielhaus in East Berlin. The final arewell, a Zapfenstreich or military tattoo, will follow at sunset. This too is controversial since it was favored by Hitler. This will be performed by the German army, which will carry burning torches.

President Bill Clinton, who visits Germany in July, will not follow



for the ceremonies in August; instead he is likely to send Vice Presi-dent Al Gore, while Prime Minister John Major of Britain and President François Mitterrand of France will be in attendance.

The German violinist Heinz Mertens, who put together a Prussian-style march for Mr. Clinton's inauguration ceremony, has composed a "Farewell Friends" march for the departing Western Allies on Sept. 8 that will be performed by sicians from Bonn.

The Allies are also making sure they say good-bye in their own par-ticular fashion. The French had their own farewell in March: Prince Charles comes to Berlin for the day on May 27 to say adieu to British troops and mark the Queen's birthday parade, while the American military will use July 4 as their day to fly red, white and blue balloons over the city.

Joel Levy, an official at the American Embassy in Berlin, said, "We are pleased by the sentiment expressed by Berliners which dem-onstrates the fondness they clearly feel for the American troops who have served in this city for nearly five decades. We hope, and plan, to continue the special relationship between Americans and Berliners after the withdrawal of the troops, although naturally it will be in a different form.

The sentiment is echoed by a British diplomat who pointed out that the cooperation between Berlin and the three Western Allies had been "unique" and "it would be a pity to spoil it all because of tiptoeing around the wishes of the

MICHAEL KALLENBACH is a iournalist based in Berlin.

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\*Three months ago, the Metaligesellschaft group began implementing a comprehensive restructuring plan. This plan constitutes the first step of what no doubt will be a long and difficult path. Within a very short space of time-three months-the plan's key measures have been initiated. They are already beginning to show results. The plan's successful launching gives us at Metallgesellschaft good reasons to view the group's future with optimism."

These remarks are from Dr. Kajo Neukirchen, who has been chairman of the board of directors of the Frankfurtbased Metallgesellschaft AG since the end of 1993. To present the various features making up the restructuring plan, Neukirchen first details the course of events necessitating its implementation. As he explains, Metaligesellschaft

lion. During the first few months of 1993/94, the dimensions of the oil-related losses grew steadily, causing a further group loss of DM 1.5 billion-thus posing a threat to the very existence of the group. It was at this point that a new board of directors was appointed to Metallgesellschaft AG. "The immediate task at

New York, incurred massive losses from

its oil trading activities. These losses had

a direct, negative impact on the results

of Metaligeselischaft AG. In financial

year 1992/93, this encumbrance on

group results amounted to DM 770 mil-

hand of the company's new management," Neukirchen states, "was to staunch these losses by substantially curtailing the group's trading positions. This has been accomplished, as has been the formulation of a new hedging policy. This policy has been in force for several weeks, and is already proving to be a positive factor. In the years to come, we will continue to work constantly and intensively on eliminating or reducing any risks ensuing from long-term contracts," adds

As Neukirchen points out, the name Metallgesellschaft was long a byword around the world for corporate viability and profitability. The long-term objective of the company's new board of directors is to restore the group to this position. To achieve this objective, the directors put together a comprehensive restructuring plan addressing both the group's current financial situation and its ongoing business operations. In view of the company's critical situation, this was carried out in a commendably short period of time. This plan was approved by the group's shareholders at two AGM's, one held in February and the other in Corporation, a group subsidiary based in March of this year. The successful laun-

ching of this plan, which fully provides for the DM 2.3 billion in losses incurred in the group's American oil trading activities, has secured the continuing existence of Metallgesellschaft AG.

A major part of the financial restructuring has involved Metallgesellschaft's securing of DM 2.7 billion in new share capital. The influx of new funds has put an end to the previous situation, in which group liabilities temporarily exceeded assets. The funds have also given the group an adequate base of shareholders' capital for future operations.

Another target of this restructuring has been improving the financial side of daily operations. To provide the group with an acceptable level of profitability-the yardstick of corporate viability-a wide range of steps designed to reduce costs and improve liquidity have been carried out. These steps, in turn, have formed part of the reshaping of the group as a whole.

Through the enacting of these measures, expenditures for materials and for other items have been trimmed by some DM 500 million each. To lower personnel costs by some DM 550 million, the plan foresees that the total workforce size will be reduced by some 7,500 persons.

A further aspect of this plan features the recasting of the group's basic structures and of its approach to managing its businesses. Metallgesellschaft AG currently has a dual, mixed role within the Metaligesellschaft group. The company is directly involved in a number of business areas, including industrial engineering (through its Lurgi division), chemicals (Sachtleben) and trading. In addition, Metallgesellschaft also holds a large number of equity stakes in German and in non-German companies. These companies are active in manufacturing, raw materials processing, services and

Drafted during the first days of the restructuring process, the plan defines the future role of Metallgesellschaft AG to be that of a holding company. It will set group-wide objectives, plot the course of group development and ensure that Individual companies' policies adhere to them. One consequence of Metallgesellschaft AG's concentration on this

meet this new situation. On March 30, 1994, Metaligeselischaft AG's shareholders approved this plan. To implement it, Metallgesellschaft AG's two main operative divisions--industrial engineering (Lurgi) and chemicals manufacturing (Sachtleben Chemie)-were constituted as legally independent subsidiaries of Metallgesellschaft, which holds in direct and indirect possession all their equity capital. This move was made retroactive to

October 1, 1993. Under current conside-

mine its course of development. It will

be responsible for monitoring the opera-

ting results of individual group members

and for the deploying of group financial

resources to their maximum effect,"

Neukirchen explains. This new structure

single role will be the necessity to tailor

existing human and capital resources to

ration is also the spinning off of the company's other operating divisions-and especially its trading sector-during the course of the 1994/95 financial year. The idea behind these moves is to strictly separate two very different kinds of responsibilities. One is the task of guiding the group, the other, those associated with managing its individual businesses on a day to day basis." says Neukirchen. The holding company has been entrusted with the former. It will formulate the strategies and policies affecting the group as a whole and deter-

will enhance the group's operating efficiency and output by making it more flexible and comprehensible. The 'new' Metaligeselischaft group, Neukirchen explains, will feature leaner administrative structures and flatter hierarchies.

The restructuring plan's overall objective is to reconstitute the group into one active in coherent, "core" areas. To define what constitutes the group's "core" activities, Metallgesellschaft AG's board of directors first formulated a set of criteria. These criteria were then employed to conduct an in-depth and comprehensive evaluation of the group's equity portfolio. This evaluation was commenced a few weeks ago. It has already produced its first concrete results. The acquisition of Korf GmbH by Brazil's Gerdau Group removes Metallgesellschaft from the steel rod manufacturing business. By selling its holdings in Methanex Corp., Metaligesellschaft has also gotten out of methanol manufacturing. All told, the restructuring plan foresees such disinvestment activities generating a total of some DM 1 billion; these two sales have yleided roughly one quarter of that

Further disinvestment measures include the agreement reached by the group and the Dana Corporation of Toledo, Ohio. This agreement stipulates that Dana will acquire Metallgesellschaft AG's 47% stake in Kolbenschmidt AG. Metallgesellschaft AG's board of directors has placed a high priority on finding a solution to the problems arising from the group's smelting activities.

These measures have stocked the group's supply of available funds. To further augment this supply, the group has taken a number of other actions. One of them: the group's capital investment - nently able to operate profitably on the budget, originally set at some DM 1.1

billion for financial year 1993/94, has been cut in half. The guiding idea behind our restructuring plan is to implement measures which increase our assets' market value. This idea is a direct manifestation of group management's stated policy, which is to maximize shareholder value whenever and wherever possible," emphasized Neukirchen " All these measures have served to strengthen the group. The costs associated with them thus represent a sound investment for our shareholders," he added. The final point addressed by

Neukirchen was the group's performance in the current financial year, now in its fifth month. To date, the Metallgesellschaft Group has realized a pre-tax profit of DM 55 million. Some DM 21 million higher than the previous year's result for the same period, this figure does not incorporate Metallgesellschaft Corporation's results, nor does it include the costs arising from interest payments on credits going to cover group losses. Also showing improvement has been the operating profit figure, which amounted to a loss of DM 50 million in the period under review, up from the previous year's DM 80 million deficit.

Neukirchen's conclusion: "Metallgesellschaft AG's directors assumed their positions a few weeks ago. During this short period of time, we have managed to make significant progress in a wide area of fields. Another significant event has been the approval by our creditor banks and shareholders of the directors' restructuring plan. These developments make me confident that Metaligesellschaft is well on its way to once more becoming a company emiworld's highly competitive markets."

# Challenge for Industry: Fostering Growth and Innovation, and New Jobs

By Konrad Seitz

OME - The German economy in the 1990s is comparable to the American economy in the 1980s. Then, U.S. industry, under the relentless pressure of Japanese and Asian competition, began a massive restructuring pro-

cess. Today it is on top again.

Is there a chance that German industry will now repeat the American success story?

For decades, the German economic and social system had been regarded as a model. Michel Albert spoke of "Rhineland capitalism" being superior to Anglo-American capi-talism. Indeed, over the second half of the '80s. the German economy had been growing faster than the U.S. economy. Its exports were the highest in the world, and in 1990 its trade surplus even surpassed that of Japan.

The German system was also realizing two goals that are normally in conflict: a highly competitive economy and a highly developed

Now the party is over. Since mid-1992 Germans have awakened to a severe recession and are realizing that, this time, they face not a normal cyclical recession of their economy, but

core of the economy is still the same industries that provided the economic miracle after the war: machine-building, autos, the electromechanical industry, chemicals. But these industries have now come under attack. They are challenged at the high end by the Japanese, and at the lower levels by the newly industrialized countries of Asia and Latin America. Soon

Eastern Europe will join as competition.

Germany thus finds itself in the situation of a company that has been highly successful in the past but is now realizing that its mature products, have peaked, and that there are not enough new products to power growth in the future. In the same way, the Germans are now discovering that they lack the new growth industries that could take over from the old heavy industries in supporting a high rate of employment, the highest wages in the world and the highest standard of social security. Germany is underdeveloped in key indus-

tries of the information age: semiconductors, computers and software, consumer electronics. information services, entertainment industries, as well as biotechnology, which will become one of the great industries of the 21st century.

The classical industries are responding to the new competitive pressure by U.S.-style restructuring. They are adopting and adapting the Japanese system of lean production. They globalize, they build plants in America and they shift low value added production to lowwage countries in Eastern Europe and Asia.

Many companies right now are achieving productivity jumps of 40 and 50 percent. The outside world has not yet fully grasped what a massive change is going on in German companies. The unions, equally, are doing a lot of rethinking. They are agreeing to more flexible working hours and they are tolerating a lowering of real wages. The government, too, is privatizing Deutsche Telekom and the railroads and is beginning, if timidly, to deregu-

There seems to be little doubt that German industry will emerge from the current restructuring lean and clean and price-competitive again. As regards competitiveness in technology and innovation, Germany's classical industries are still the world leaders

No other industrial nation has a comparably wide range of products. Here, Germany's Mittelstand, the small and midsized companies. come in. There are thousands and thousands of Mittelstanders that, with their customized, sophisticated products, dominate global niches. The range of these companies goes from two nine-person companies that share among them

dles, to the mighty machine-tool maker Trumpf, which is driving back the Japanese in the U.S. market with its laser-cutting ma-

Unfortunately, the side effect of restructuring is only too obvious: steeply rising unemployment. A McKinsey & Co. research team made a hypothetical calculation: If German automakers reached the productivity level of the best Japanese plants, they could do with a work force that was 45 percent smaller. In machine building, the reduction would be 40 percent, in the chemical industry 30 percent, and so on. As a whole, the German economy could produce its present output with a work force of 24 million people, which would imply a jobless rate of 38 percent. We are casting out the devil of the competitiveness crisis and replacing him with the Beelzebub of an unem-

oloyment crisis. This crisis can only be averted if the German economy finally advances massively into the new growth industries and especially the new multimedia information services. A highly productive economy could then also afford to create low-skilled jobs in the traditional personal services, such as household help, by subsidizing them and making them dignified.

But how can this massive advance into the new industries come about? It clearly cannot their own. They are operating in a social and political environment steeped in industrial-age mentality and are affected themselves by this mentality. The advance into the information age presupposes fundamental change in the state of awareness of society, politics, industry.

Transformation into an information society will bring deep changes in everyone's life, for both work and leisure. To win the technological battle we first have to win the battle for the minds of the people, have to win them over to seize the new opportunities and accept the unavoidable changes coming with them.

Change is necessary also in present German economic policy making, which is still in the iron grip of orthodox economists who hold to the dogma that the market regulates everything by itself. This simple recipe worked beautifully in the '50s and the '60s when Germany rebuilt its classical industries.

But market forces alone do not bring about the transformation from an industrial to an information society. For this we need creative cooperation between industry and government. The recipes, today, are more complex. We need, on the one hand, less state, to clear the way for the new. But we also need more

We need a government that is a partner of industry in creating the information economy a government that helps to orient society ward the future: the development consortia in critical technologies and above all is an active partner in building the new infrastructures for the 21st century the information superhighways for the multi-

The battle for change in Germany has be gun, but most of the commanding heights and still in the hands of those who stick to old paradigms and who resist change. It is a battle that will decide the fate of Germany and Enrope in the 21st century: Will Germany in the next century be a country torn by a crisis bringing its friends and neighbors in Europe down with itself and unraveling the network of Enropean integration? Or will Germany be a winning culture and a winning economy able to give Eastern Europe full access to its marker and lead the way to a strong and prosperon unified Europe?

KONRAD SEITZ is German ambassador <sub>ta</sub> Italy and author of "The Japanese-American" Challenge: Germany's High-Tech Industries

### A Computer Pioneer Rediscovered, 50 Years On

By Peggy Salz Trautman

ASSEL, Germany At 83, Konrad Zuse, the creator of the first fully automated and program-controlled computer, is enjoying the some of the credit due over 50 years ago.

Computer science students and admirers make pilgrimages to his home in a village near the former border with East Germany. His autobiography, "My Life — The Computer," was recently published by the Springer-Verlag. And the restless inventor is still tinkering with motors and gears, working on self-regenerating systems and con-templating the laws of a universe he believes is governed by a computer-

Born in 1910 in Berlin, the son of a postmaster, Mr. Zuse was drawn as a youth to painting and building.
"I have always had a predominantly visual approach to my environment," Mr. Zuse says. "This per-haps one-sided talent was also evident in the construction of my computer models; here, too, I preferred mechanical and electromechanical constructions and left the electronics to others who were bet-

Mr. Zuse's mind was preoccupied by other matters. Vending ma- could depend only on friends and chines, artificial intelligence, cloverleaf motorway intersections, photo-developing booths and rockets to the moon were among the ideas that kept him from focusing his attention entirely on his studies - ideas that were way ahead of their time.

Above all, Mr. Zuse used his time to contemplate the construc-tion of a "computing machine" and memory, and received its comways to rid himself of the tedious calculations an engineering student of the time had to endure.

In 1935, the Henschel Aircraft Company in Berlin offered Mr. Zuse a job as a structural engineer. A few months later, he quit his post and announced to his horrified parents that he would construct a computer and turn their living room into a workshop in which to do it.

"At the same time as I started in Germany," Mr. Zuse recalls, "(Howard) Aiken and a few others began their work in the United Thus a competition developed

between Berlin and Boston, between Mr. Zuse and Howard Aiken, although neither man knew about the other's work. And the Mr. Zuse later studied at the odds were extremely uneven: Mr. Technical University in Berlin, but Aiken had the backing of a powerfound the work stultifying. He ful corporation, International Busi- aided the German war effort -fell

components by hand with a jigsaw,

family for financial support. Mr. Zuse constructed a bulky machine made of hundreds of relays, second-hand sheet metal and mechanical pins. It stood two meters high and 1.5 meters wide, and resembled a large living-room cabinet.

Later known as the Z1, the computer operated with the help of a mands from old, hand-punched, celluloid film strips.

Despite all the handiwork, Mr. Zuse now concedes, "it just never worked right." Mr. Zuse went back to the drawing board.

He began experimenting with electrical relays. The problems: cost and space. A computer with adequate power and capacity would need several thousand relays and take up more room than the workshop provided. The relays would also cost several dollars each more than Mr. Zuse could afford. In 1938, he developed a small test model using just 200 relays, and called it the Z2.

In 1939, Mr. Zuse was drafted into military service. Ironically, a plea by friends to exempt him from active duty to work on his computer - a machine that could have

dropped out before earning a de-gree in civil engineering in 1935. 

ness Machines Corp., while Mr. on deaf ears. He served as an infan-zuse, who fashioned computer tryman but never saw combat, and tryman but never saw combat, and Zuse completed work on the Z4, a in 1940 was allowed to return to his

> But it was not to be that easy. Bombing raids often wrecked his workshop. With many of his assistants fighting or killed in the war, Mr. Zuse searched schools for Zuse was had his first contact with handicapped persons with an un- IBM. But Mr. Zuse said the compaderstanding of mathematics who ny wouldn't agree to his working could help him with his work. His conditions. They were only interderstanding of mathematics who staff also included a young woman, his future wife and professional partner Gisela Brandes. In 1941, he produced the Z3 -- the long awaited breakthrough,

The Z3 was the world's first general-purpose digital computer. The Z3 had what Paul Ceruzzi, academic and curator of aerospace computing and electronics at the Smithsonian Institution in Washington, D.C., calls several "striking

features." It not only predated Mr. Aiken's Mark I, which was first operational in 1944, but it was also widely considered to have been somewhat faster than the Mark I. Hartmut Petzhold, a curator at the Deutsches Museum in Munich, Germany's counterpart to the Smithsonian, holds the Z3 to be a the "most important link" in the

development of the computer. "The Z3 was a milestone," he said. The Z3 and most documents connected with it were destroyed in

As the war drew to a close, Mr. computer that clattered on until the

But few inside and no one outside of Hitler's Germany knew

what Zuse was doing.

It wasn't until 1947, that Mr. ested in my patents," he wrote in

his autobiography.

As the computer developed into big business, however, Mr. Zuse and his patents were to be of ever more interest to IBM. One in particular, for the Z3, which he filed in 1941, was to prove fateful.

Due to the war and to German bureancracy, the patent wasn't even published for comment until 1952. The only one of the competing calculator makers to raise an objection. Mr. Zuse says, was Triumph, which was later backed in a suit against the patent by IBM. Court proceedings dragged on until 1967.

In the meantime, Zuse KG, produced and sold a computer that many historians credit with steering turn, to former levels of Germany's postwar Wirtschaftswunder. At its peak, the company small group of fund managers is employed 1,000 people and received trying to nurture the innovative contracts from throughout the technology companies of the fu-

Then came a ruling from the German Patent Office, which decided funds are backed by an experimenand the progressiveness of the object to encourage early-stage investconcerned in the main application ment in risky but potentially prosare not doubted. Yet a patent can-perous young technology companot be granted due to insufficient nies. Since the program's creation merit," the office ruled.

the company's relationship to Mr.

Zuse.
Mr. Zuse sold his company, which was sinking into debt, the same year to Siemens AG, which wanted to get into the computer

Now, he spends most of his time in his basement workshop, tinkering vith plans for a new machine. But Mr. Zuse has learned one lesson from the past: He won't discuss his current work. Twe been branded many times because I've been too early with my inventions and I'm not about to do it again," he says.

PEGGY SALZ TRAUTMAN is a iournalist based in Bonn.



### **Nurturing High-Tech Firms**

By Ann Brocklehurst

ERLIN - As Germans ponder the effects of recession and worry whether their economy can re-

These so-called seed capital inst Mr. Zuse. The innovation tal government program designed in 1989, they have distributed some IBM in Stuttgart would not com- 100 million Deutsche marks (\$59

> Roger Bendisch, manager of Berlin's LBB Seed Capital Fund GmbH, says that although there is still a lot of justifiable gloom and doom about many traditional German industries, there is also reason to be optimistic on the high-tech-

nology front. These companies are marketing innovative products. They are not building ships or mining coal," he said. "We are creating wealth in a very economical way — much bet-ter than giving money to coal-min-

LBB Seed Capital Fund, which is now owned by the Landesbank Berlin, was created in 1983 and was originally owned jointly by agencies of the Berlin and federal gov-ernments. It is currently one of 10 German seed-capital funds, some private and some backed by state

technology. The company picked a marketing partner who Mr. Ben-disch had advised against using.

As far as the remaining 10 invest-

The rules did not stipulate where from, but they were required to have at least 2 million DM in capibank. Through its credit institution, Kreditanstalt für Wiederaufban, the federal government guarantees up to 90 percent of the loans made by seed capital funds to

young technology companies.

According to Mr. Bendisch, seed capital funds distinguish themselves from other providers of early stage investment in that they proas well as money. More traditional 1992, dCADE had sales of 560,000 Exercitors, such as banks and insur-DM and made a loss of 30,000 DM. ers, tend to save such advice for The company had applied for fialso concentrate on smaller companies unable to attract the attention invested 250,000 DM and also reof larger venture capitalists.
"Usually what we have is bril-

liant technicians out of universities Together the two outside shareand research labs and we provide part of the management support," said Mr. Bendisch. "The relationpart of the manage ship between management costs and invested capital is the main

LBB Seed Capital has just three employees, including Mr. Bendisch, and has made 3.6 million DM of loans to 12 companies since 1990. Mr. Bendisch estimates the fund spends roughly two days per month or 20 days per year on each company although the work comes

In return for its investments. LBB Seed Capital takes minority shareholdings in companies. So far, to produce good international it has sold one of its stakes, lost one products from the immense through bankruptcy and is keeping

Mr. Beridisch said that the fund munications. When LBB Seed Capital became involved with the company, it had already developed its product and done preliminary mote in market work but needed help with market penetration before it could

The fund's failed investment was ANN BROCKLEHURST is a also in a company dealing in ISDN journalist based in Berlin.

\$ 200 No. 1

ments are concerned, almost all of them are in information technology the funds' money should come companies with niche products they are keen to export to expand limited markets. One of the clients, tal as well as a connection to a Berlin's dCADE GmbH, makers of specialized, milling-machine simulation software, expects its sales to rise to 1 million DM in 1994. "In the long term, it's very hard to estimate, but we should come to a

three to four million limit," said

dCADE's manager, Nezih Yaramanogh, referring to sales world When it first became involved vide extensive management advice with the LBB Seed Capital Fund in times of crisis. Seed capital funds nancial aid from the Berlin Senate's ferred it to LBB Seed Capital, which invested another 250,000. holders now control 25.1 percent of

dCADE's equity. "I feel quite comfortable with it," Mr. Yaramanoglu said. "The only thing we didn't have before Seed Capital Fund was a specialist for financial and business issues. This saved us from behaving in-

stinctively wrongly.' Mr. Bendisch says the seed capital funds, with their market-orient ed approach, are a departure from Germany's traditional allocation of state capital for research and development, and noted that before the current program was introduced there was "no real vehicle available

amount of research products." He hopes that the Ministry for Research and Technology will conment costs and possibly made a small profit on the stake it sold in in an information-technology. in an information-technology com-pany involved in ISDN telecom-nounced only that it is reviewing the program to determine its effectiveness and how it fits into the government's overall plans to promote innovation and economic

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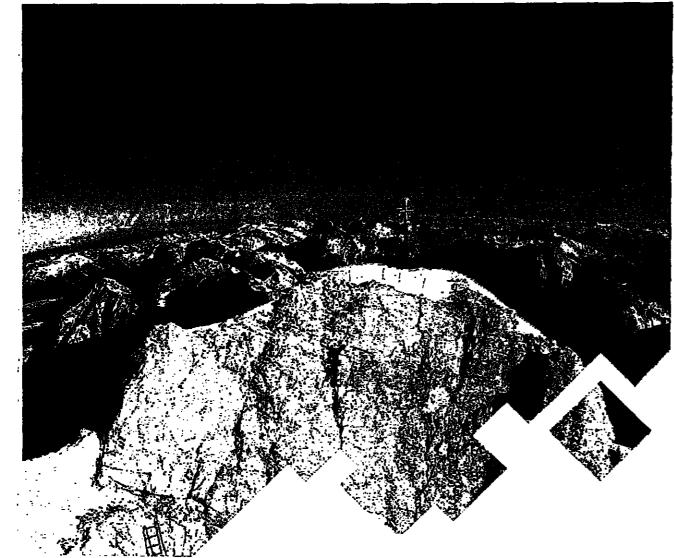
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### Germany / A Special Report

# Reviving Profits Improve Outlook For DAX Shares

O stock market on earth is likely to repeat last year's fireworks, but the most respectole encores could well come from estern Europe and in particular

As Wall Street houses issue ever ore Delphic predictions about S. shares and quietly retreat no cash positions, German banks ad economists are ratcheting seir country's corporate profit esmates upward and predicting anther market run-up of 10 to 15 ercent by the end of the year.
"Just as the U.S. companies are

arting to cut their outlooks, Gerians are raising theirs," said Win-ied Hutmann, chief of equities search at Schröder Münchmeyer lengst Investment GmbH in

Germany's economic fundamentals have rarely looked better and, ironically, are considerably ore solid than last year when \*rankfurt's benchmark DAX inex surged nearly 50 percent in ne with the worldwide bull maret. So far this year, both inflation and interest rates are on a comortable downward slope, wage inreases are modest and corporate posits look set to be the strongest half a decade.

We are where the U.S. was two three years ago," said Ingo painert, chief German securities nalyst at Commerzbank AG. Two imponderables could turn nt to be nasty spoilers: a serious sump on Wall Street or a surprise result in Germany's national elec-

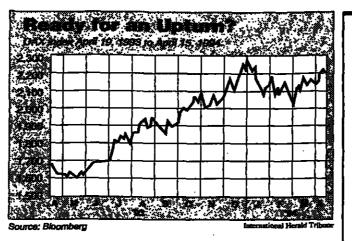
Unlike the Tokyo stock market, European exchanges rarely can avoid the fallout from a Wall Street calamity and German investors are closely watching the erratic pulse readings from Wall Street.

The German elections are generally less feared because the markets may already have factored in one of the more likely scenarios, a victory by the opposition Social Demo-crats over Chancellor Helmut Kohl's ruling center-right coalition.

The business daily Handelsblatt has dubbed Rudolf Scharping, the Social Democratic candidate, as the "German Clinton." Like Bill Clinton, he may be from a party with a tradition of state spending but, also like Mr. Clinton, he may have the great fortune of inheriting an economy at a favorable point in its cycle. Mr. Scharping has not given any indication that he would do anything radical to interfere with the cycle.

But there is a worst-case scenario and German politics has had more than its share of surprises lately. The Social Democrats might win by a weak margin and find themselves forced to reach leftward to forge a coalition.

"If the Greens get to play a role, there will be persistent bargaining for more government spending and this will saddle budgets," said Michael Bach, an analyst with Barclays de Zoete Wedd in Frankfurt. The Greens made significant



both in Schleswig-Holstein and Lower Saxony.

Barring such jolts, stock traders

say that the major spur for the market in the meantime is the outlook for corporate profits.

This month, Daimler-Benz AG, said that it had "decisively turned the corner" after a slump of several years that culminated last year in its first operating loss. Although banks, insurance companies and retailers are likely to be less favored this year, Germany's back-bone blue-chip industrials — chemicals, machine-builders and autos -are seen reaping the benefits of growing exports and improving cost structures.

Heavy industry was given a major boost by wage agreements that took many politicians and business leaders by surprise, especially considering the bitter battles fought out, partly with strikes, in the previous round two years ago.

It also helped set the stage for a modest recovery in bonds, a market that was pummeled along with other European bond markets in the first quarter of this year, largely an aftershock from the tremors that shook the U.S. bond markets.

inflation is expected to fall to a low of 2 percent in early 1995 from a current rate of 3.2 percent and make it easier for the Bundesbank to keep lowering rates. Some economists see the discount rate, currently at 5 percent, bottoming out at 4 percent at the end of the year.

Perhaps the true test of the mar-

ket's ebullience will be its reaction to a double dose of financial scandals this year. Metaligesellschaft AG, one of Germany's largest and oldest engineering concerns and metals processors, was driven late last year to the brink of bankruptcy when one of its units was forced to abandon oil hedging positions. Just as the banks were sorting through this wreckage, Jürgen Schneider, one of Germany's most important real estate magnates disappeared and left the banks saddled with a mountain of debt.

"It is hard to know what kind of lasting effect this has on a market, but two back-to-back cases of mismanagement in such a short period of time is the kind of thing that frightens foreign investors," said Holger Fahrinkrug, an economist with UBS Phillips & Drew in

Richard E. Smith

### **Eastern Shortage: Stock Offerings**

هكذامن الأحهل

By Richard E. Smith

N the five years since the collapse of the Berlin Wall, the nascent stock markets of Eastern Europe have bubbled with a heady brew of new public offerings. The exchanges of Warsaw and Budapest each boast several dozen, while even Slovenia has managed to produce 10.

But Eastern Germany, a region backed by

the massive West German banking system and a rich investing public, has produced a grand total of two. One of those turned out to be a spectacular flop.

Even though the East Germans are methodically putting their house in order and slowly but surely cranking out better statistics, bankers and consultants nearly all agree on the near-term future for stock investors:

The basic explanation has changed little since reunification. East German companies were immediately thrown up against the rig-ors of world markets and the hardest of currencies. While other East Europeans had time to wallow in post-Communist chaos and sort themselves out a bit, Eastern Germany's larger companies had to move quickly to survive and that nearly always meant a selloff to a Western company.

The Treuhandanstalt, the agency set up to privatize Eastern Germany, was breathing heavily and watching the clock. Its priority was to get the economy into private hands as fast as possible, and an initial public offering

But the fact that 16 million East Germans have hardly left a trace on the market unquestionably rankles, both at the neighborhood Bierkeller and in the board room.

The pride of our town was bought up by a Dutch owner of parking garages and a Frenchman who later sold out to an Austrian," said a dentist and small investor from Thuringia who would have liked to invest locally if possible. "Now that we have our VCR and a new car, we have all we need from the West and maybe we should build the Wall again to protect ourselves."

Added a machine-tool company executive

in Berlin: "We have sometimes thought that we might have been able to make it by ourselves if we had had a bit more time."

The Western buy-ups have been especially galling for some East Germans because the region still boasts some of capitalism's early success stories — the textile and chemicals works of Saxony, the machinists of Thuringia and the heavy engineering innovators of the greater Berlin area.

Even the Frankfurter Allgemeine Zeitung, the bible of West Germany's banking estab-lishment, said in a recent editorial that it was "too bad that there are not East German offerings on the exchange to give the sense that the region has its 'own' companies." "The union with the West German econo-

my, the advice of experienced banks, direct access to a highly developed financial market and the interest of wealthy investors — all these factors should have made entry into the

West German bankers and consultants retort that they have to answer to their customers and that the East did — and will for some time to come - pose immense risks for inves-

"The situation of these companies was completely turned upside down by new cost structures and the collapse of their Eastern markets," said Eugen von Keller, manager of Eastern privatizations for Roland Berger & Partner GmbH of Munich, one of Germany's leading consulting firms. "IPOs would have sent investors into immensely risky situa-

Deutsche Bank, Germany's largest, did ex-actly that and the pioneering effort rapidly

#### The fact that 16 million East Germans have hardly left a trace on the market rankles.

turned into a trauma for everyone involved. In early 1992, in the heady euphoria after reunification, it introduced the East German dairy Sachsenmilch AG to the market with considerable ballyhoo. With a Deutsche Bank seal of approval, there was little trouble

But an ominous crack soon developed. The value of the offering was largely tied to the construction of a new plant in Eastern Germany and the cost estimate mentioned in the prospectus turned out to be badly underestimated. Amid a mass of recriminations and a close brush with outright bankruptcy, the company's shares plummeted from a high of 84 Deutsche marks to 32 DM. Deutsche Bank ate humble pie and paid out 40 million DM (\$23.5 million) to shareholders to compensate them at the price they bought into the fiasco.

Little wonder that no one has rushed to follow in Deutsche Bank's footsteps. At the moment, not a single application is pending for any new East German entry onto the market, according to Frankfurt and Berlin exchange officials. This leaves Berliner Spezialflug AG, one of the heirs to Eastern Germany's flagship line Interflug, as the only purely East German stock available.

Analysts note, however, that whatever does make it to the market is likely to be well screened, not least because of the Sachsen-

'Not a single one of the stocks on the Polish or Czech exchanges could have met the standards of a German market," said Jörg Walter, president of the Berlin Stock Ex-They can only be looked at as

standards among the world's strictest, bank- International Herald Tribune.

market easier," it said. "But the banks still hesitate."

West German bankers and consultants reway Polish. Czech and Russian stocks have been rushed to the market simply to give the public something to buy. This was necessary after governments, in a novel bid to give their entire populations a stake in recovery and a positive view of capitalism, distributed cou-

> "People had to have something to buy with these coupons and a lot of the stocks coming to the market are there out of necessity rather than virtue," said Mr. von Keller of Roland Berger, a firm that has played a role in about 1,000 management buyouts in Eastern Germany. "The system has its advantages but it makes entry to the market easy, especially when a company is unlikely to be able to raise

money anywhere else."

Mr. Walter of the Berlin exchange said he thought that as many as 100 East German companies would be ripe for the German market over the next three to five years. But he and many others are not so sure that they will want to jump off the high-dive any more than their West German cousins. In spite of a Wirtschaftswunder and four decades of steady growth, most West German entrepreneurs have preferred bank credits to the thrills and chills of the exchange floor.

The small, closely held family enterprise has remained the engine of German growth the computer wizard Heinz Nixdorf waited 32 years before launching a public offering, for instance -and the pattern appears to have taken hold in Eastern Germany.

The build-from-the-ground attitude con-trasts sharply with the big-picture entrepreneurs in Warsaw and Moscow. "It is a sign of the cautious German business mentality that the first question they always ask is whether they can own the company's property, the ground they sit on," said Mr. von Keller. "At this point, the question of new stocks on exchange is not the big question in Eastern Germany," said Rüdiger Pohl, a former member of the German government's council of economic advisers and now chief of the Economic Research Institute of Halle, the leading East German think tank.

'We have to see how these companies develop after they privatize and have started making profits, and then we can talk more

about the exchange," he said.

The dream remains but the time perspective is years, not months.

Peter Klopsch, president of Niles Werk-zengmaschinen AG, a machine-tool maker that was once one of former Eastern Germany's star exporters, has shepherded his company through life under a Communist regime, capped by a visit by Mikhail S. Gorbachev, as well as through the new era of mass layoffs and a Western buyout.

"You can complain and regret a lot about what has happened in the last four years, but we have to be realistic and keep working," he said. "Who knows? Maybe five years from now we will be a listed company on our own."

With German accounting and exchange RICHARD E. SMITH is on the staff of the

### Siemens-Nixdorf on Road to Comeback

UNICH - When Siemens Nixdorf Informationssysteme AG chose to premiere its newest product line in the middle of the Tinosaur exhibit at the East Berlin Museum of : Natural History, many analysts found it ironic. ...t wasn't so long ago, they pointed out, that the argest European computer maker also seemed

By Peggy Salz Trautman

Now, however, SNI appears to have turned he tide. The company is cutting its losses and souncing back with a corporate structure and product strategy that give it a solid position in he industry, analysts say. It is beefing up narketing and installing a new chief executive ater this year who is expected to cut costs.

lose to extinction

For George Verghese, chief analyst for Deutsche Bank Research in London, the he company. "After years of uncertainty, exiting things are actually starting to happen

Helmut Buschmann, managing director of RZ Rechenzentrum GmbH, a major client of iNI's, said the company's rebound is signifiant because it all but guarantees that a Eurosean player will have a say in the informationechnology markets of the future, markets that ave traditionally been dominated by the Inited States. Recent poor performances reorted by both Groupe Bull and Olivetti SpA, Ar. Buschmann says, "leave the door wide pen for only one survivor in Europe and that all be SNL

The steps SNI took last year to cut costs and eengineer its business processes are finally howing results. Losses are significantly small r than they were a few years ago, and SNI xecutives say the company has good prospects to end in the black in 1995. Sales are still flat,

but losses are significantly smaller.

Last year, SNI had net sales of 11.9 billion Deutsche marks (\$7 billion, 7 percent below the 1992 figure, but a level that the company called "acceptable." The company's loss nar-rowed to DM 419 million, from 513 million in 1992 and 781 million in 1991. SNI's losses so far this year have narrowed

significantly, but they wouldn't give figures. although SNI executives anticipate a 6 percent drop in prices will keep sales at roughly 4 to 5 percent below last year's level. Part of the reason things are looking better is

SNI's open systems, client-server strategy. At the March CeBIT computer fair in Hannover the company introduced a barrage of new Jane Doorly, a director of Dataquest in Britain, said she is "more impressed" than she thought she would be with SNI's product line and recent performance. Unlike IBM, Ms.

Doorly says, SNI is moving away from main-

frames and throwing its support behind small-

er, decentralized systems and that, Ms. Doorly adds, "can bring only benefits." But SNI's outlook wasn't always so positive. Indeed, many expected the 1990 merger between Siemens Data & Information Systems Group and Nixdorf AG, like the unification of Germany the same year, to flounder. Just as Germany had to integrate its eastern territories and overcome a recession, so was SNI forced to reconcile two corporate cultures and struggle through the computer industry's worst slow-

To make matters worse, Nixdorf, the hero of Germany's small businesses, saw itself as a David standing tall against computer giants such as Siemens. While Siemens had built its strength on providing computers to corporate customers, which could work with products from any manufacturer, Nixdorf relied on smaller clients and promoted proprietary computer systems.

"Things were looking pretty grim at first," the chairman and chief executive of SNI, Hans-Dieter Wiedig, said in an interview. IBM began its fall, the recession hit Europe, the computer price war was on and proprietary computers were on the way out, "All factors came together at once and this caused considerable problems within the information technology industry worldwide," he said.

Despite turbulence on the market, SNI spent hundreds of millions of marks to give Nixdorf customers the ability to use other operating systems, and slim its offer down to three solid Now the company faces another problem:

marketing. "They have a lot of clever products and a number of really fine innovations such as the Synapse," the world's fastest neural, or computer, Ms. Doorly of Dat quest says, "but they just don't make enough noise about them.

To tackle this problem, Mr. Wiedig has recently influenced SNI to break with two of its most beloved but stifling tenets: promotion from within company ranks only and technol-

In October, Mr. Wiedig is stepping aside to let an outsider take the helm. Gerhard Schulmeyer, a cost-cutter who headed the U.S. operations of ABB Asea Brown Boveri, will become CEO while Mr. Wiedig will move up to the supervisory board.

Gerhard Adler. Managing Director of con-sultancy Diebold Deutschland said that Mr. Schulmeyer has the hard hand SNI needs. "He successfully tore apart ABB and put it back together," Mr. Adler says, "and he'll do the

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### Can Germany Avoid A Weak Leadership?

Continued from page 19

acrease the stature and representtion of both left and right in One needs to be very prescient

assess what impact these sorts f results will have on Germany's ver-suspicious neighbors. But the urrent anti-foreign violence is, by self, no reason for angst about fermany falling back into the bad . Id Nazi times. But the increasing political po-

arization underlines another. nore worrying issue. Germans by nd large have lost interest and nthusiasm in politics, political arties and political leaders. Gernany is not another Italy, but here is a widespread disenchantwith the same old faces, the eemingly insoluble problems, the ack of a bright economic. nd a falling standard of living.

One major party looks much ike the other, and it is doubtful hat one or the other will manage o gain much over one-third of the oters in the 1994 national elecion. This would mean a Grand coalition with the position of hancellor probably being determined by a few percentage points. This is not apt to be a happy olution to the country's ills.

A weak German chancellor, one mable to provide a confident and powerful impulse for the integra-ion of Europe and the regeneraion of the East European ecoamic system would be viewed -Wen by those suspicious of Germany's power and of its lust to use

t - as near disastrous. Combined with a U.S. administration that is little oriented toward Europe, a fragile Russia, an increasingly shaky Japan and a European Union that is muddleheaded, the lack of German leadeship and power (two words detested by most Germans) causes the very Western structures created to preserve stability to tremble.

player in the international organiations as the European Union, Nato, the Western European Union and the United Nations, where it is a prospective permanent member of the Security Council. But these organizations seem almost artificial in nature given the other problems that Germany has to confront.

Germany's geopolitical position in Europe will be paramount. The country has always exerted a great role in Central and Eastern Europe, including Russia, a fact which has become even clearer with the end of the Cold War. Germany is Russia's largest trading partner, as well as the largest trading partner of most of the remainder of Eastern Europe. Germany has extended far more official credits to Russia than any other Western state. Its efforts have been lonely ones, and the Germans are growing impatient at having to bear the burden practi-

cally alone. Similarly, the enlargement of the EU and NATO to include parts of the ex-USSR and Eastern Europe is high on Germany's agenda: it seems low or nonexistent on that of other Western states. There is therefore lots of room for diplomatic conflict between Germany and its Western

There are no simple solutions to any of these problems, which are probably larger than any faced by the country since 1945. What is needed now is a reasoned German discussion of the situation and an analysis of what can be done about it. If the issues are not faced, honestly and resolutely, the Germans will be reduced to a state which they abhor - muddling through. That is, I am sorry to say. what they will probably have.

DAVID ANDERSON is head of the Aspen Institute Germany.

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# **SPORTS**

### **Chisox Sink** Bosox in A Deluge By Raines

The Associated Press

Wilson Alvarez had just flirted with a no-hitter for 5% innings and won his 11th consecutive decision. Still, he wasted little time in pointing people to the star of the game. Tim Raines is the big man to-

day," Alvarez said.
"He's the man today, not me." he said, after Raines's three homers

#### AL ROUNDUP

led the Chicago White Sox to a 12-1 triumph Monday over the Red Sox

Raines hit solo homers leading off the first and third innings and a two-run drive in the eighth. He scored five runs and drove in four. He also walked, singled and reached on an error in the ninth.

It was the first three-homer game of Raines's career. All three were hit to right field, helped by a 12mile-an-hour (20 kph) wind. "I don't consider myself a home

run hitter," Raines said. "But on a day like today, you just try to get one up in the air in the direction the wind is blowing. Out of the three I hit, I thought maybe one would have cleared the fence."

The previous three-homer game for the White Sox was by Harold Baines against Minnesota on Sept. 17, 1984.

Frank Thomas also homered for Chicago and Joey Cora added a three-run triple

The White Sox hit eight homers in the three-game series at Fenway Park and have 14 in six games against the Red Sox this season. Thomas, who has six home runs this year, homered in all three games of the series. Thomas has homered in four straight overall. and has scored a run in all 12 of Chicago's games.

"It was a good old butt-whip-ping," said Boston's manager. Butch Hobson. "I'm glad to see Chicago leave here. Those guys can swing the hats."

The power display by the White Sox overshadowed Alvarez's performance. Andre Dawson's single high off the left-field wall in the sixth was the first hit. Alvarez lost his shutout the following inning when John Valentin doubled and Rich Rowland singled.

Alvarez has not lost since Aug. 11. He won his final seven decisions last season, defeated Toronto in the AL playoffs and has allowed just five earned runs in three starts this

Danny Darwin allowed eight runs on seven hits in 633 innings and walked six for Boston.

Royals 11, Tigers 1: Gary Gaetti keyed a six-run first inning, and later hit his first homer of the season as Kansas City won in Detroit. The Royals have won five in a

row and Detroit has lost four of Gaetti's two-run single with one out made it 4-0 and chased John Doherty. Gaetti hit a solo homer in

Greg Gagne got his 1,000th career hit, an RBI single in the ninth. Gagne and Wally Joyner each drove in two runs.

The Phillies' Lenny Dykstra sliding into home as the Dodgers' Mike Piazza awaited the throw. Philadelphia won it in the ninth, 5-4.

### **Bonds's Homer and Walk Undo Expos**

The Montreal Expos pitched to Barry Bonds and that cost them the

lead. Then they pitched around

him and that cost them the game. Bonds hit a home run with one out in the bottom of the ninth inning to tie it. He walked, stole two bases and scored on Mark Carreon's pinch-hit single with one out

in the 11th to give the San Francis-co Giants a 2-1 victory Monday night over the visiting Expos. Bonds, bidding for his record third straight MVP award this season - and fourth overall - began the game batting only .214 with just one steal. But he again picked his moments; all five of his home runs have either tied games, or put the

moth to protect Jeff Hostetler.

The Assintated Press

The Green Bay Packers have another sack spe-

On the last day for National Football League

restricted free agents to sign with new teams, those

were the three biggest moves Monday. The Packers signed Sean Jones, the Redskins got John Friesz

and Los Angeles picked up 328-pound (148-kilo-gram) Kevin Gogan.

Another major move was pending as Alvin Harper decided whether to go from Dallas to

Pittsburgh. The NFL gave the wide receiver an

extension of the signing deadline for unspecified reasons. He was expected to decide later Tuesday.

In other moves, quarterback Bobby Hebert resigned with the Atlanta Falcons, cornerback Ben Smith was traded from Philadelphia to Denver.

center Jim Sweeney re-signed with the New York Jets and return specialist Vai Sikahema retired.

Harper was considering a reported \$4.2 million.

three-year offer from Pittsburgh. The Cowboys

cialist, the Washington Redskins have a new quarterback and the Los Angeles Raiders have a behe-

bases and if you pitch to him he hit in five at-bats this season. has the chance to knock it out of

**NL ROUNDUP** 

the park," said Mike Jackson, the winning pitcher. "I'm just fortunate to play with a guy like that."

The Expos's starter. Pedro Martinez, struck out a career-high 10 and gave up only five hits in seven innings. But in the ninth. Bonds connected off Jeff Shaw for his second homer in two days, tying it at 1.

In the 11th, Bonds drew a oneout walk from Tim Scott, Bonds stole second and, after an intentional walk, stole third.

Redskins Sign Quarterback Friesz

"If you walk him he can steal Carreon followed with his first Avery protected the early lead,

Jackson relieved with the bases loaded and one out in the 10th and cliffe was chased in the third. got Moises Alou to ground into a double play. The Giants put run- another home run, but it could not ners at second and third with one out in the 10th, but Robby Thomp-son lined out and Willie McGee grounded out.

Braves 7, Cardinals 1: Ryan Klesko, Fred McGriff and David Justice hit consecutive homers in the first inning and Atlanta crushed St. Louis for its sixth straight victory and 13th in 14 games.

On Friday in Chicago, McGriff. Terry Pendleton and Tony Tarasco had hit consecutive homers in the first inning during a 19-5 rout. On Monday in Atlanta, Steve

have offered him \$860,000 for one year. If he signs with Pittsburgh, Dallas would receive a first-and third-round draft choice as compensation.

The Packers, who lost free agent linebacker

Tony Bennett to Indianapolis earlier this spring.

The team wouldn't release terms, but published

reports said the contract was worth 37.8 million ove

three years, making Jones. 31, the Packers' second-highest paid defensive player behind Reggie White.

Friesz will give the Redskins a veteran to help

groom the quarterback they are expected to take

with the third pick in the draft - either Heath

Shuler of Tennessee or Trent Diller of Fresno State.

Friesz, the San Diego Chargers' one-time starter, signed a one-year, \$900,000 deal. Last season's

Washington quarterback, Mark Rypien. was re-

Gogan signed a three-year, \$3.7 million deal with the Raiders after the Cowboys tried in vain to

convince him to stay. To replace him. Dallas

signed Derek Kennard of the New Orleans Saints.

filled their need for a pass rush specialist.

Phillies 5, Dodgers 4: Jim Eisen-reich got an infield hit with two delphia over visiting Los Angeles.

against Doug Jones with two runners on to end the inning.
John Kruk opened the Phillies

ninth with a single and advanced on an errant throw by Gary Wayne. Darren Daulton grounded into a double play, sending Kruk to third. and Eisenreich beat out a slow grounder to second baseman Delino DeShields.

two-run double with two outs as Florida rallied in the ninth against Colorado closer Darren Holmes. The loss at home ended the

Luis Aquino was the winner despite giving up Ellis Burks's go-ahead double in the eighth.

Padres 6, Mets 3: Jeff Kent hit overcome two homers and a careerhigh five RBIs by Derek Bell in San Diego. Kent hit his seventh homer in six

pitching six strong innings. He gave

up one run on two hits. Rick Sut-

games, a two-run shot in the eighth that tied it at 3. He leads the majors with eight home runs and 21 RBIs. Bell put the Padres ahead with a

three-run homer in the eighth oil Jonathan Hurst. He also hit a tworun homer in the sixth. Gene Harris was the winner. New York third baseman Bobby

Bonilla started for the first time since injuring his left shoulder April 10 and had an RBI single.

outs in the ninth that lifted Phila-Mike Piazza hit a three-run homer in the seventh that gave the Dodgers 4-3 lead. With the scored tied in the ninth. Piazza popped up

Marlins 5, Rockies 3: Chuck Carr singled home the tying run with one out and Jeff Conine hit a

Rockies' four-game winning streak. Holmes took over to start the ninth with a 3-2 lead, and blew his third save chance in four tries.

ONDON - World Cup USA 94 is so close we ONDON — World Cup USA 94 is so close we can almost smell it. "Soccer with a nice popcorn taste" is how the German goalscorer Jürgen Klins-

mann describes the new experience. Eight weeks from now we will be there. Or will we? Paranoia is afoot.

The U.S. organiz- Rob ers have stirred a Hughes homets' nest, de-

manding as a precondition to accreditation the following:

"I hereby request/authorize the Federal Bureau of Investigation (FBI), all state and local law enforcement agencies, consistent with applicable law(s), to release criminal history and criminal investigative re-cords pertaining to me to World Cup USA 1994, Inc... its officials, and/or agents to establish security and

accreditation eligibility."

That has gone around the world for signature by media, players and officials. According to the letter, the requirement is made of everyone applying for accreditation to "the World Cup Family," presumably even to the leaders of FIFA itself.

Sepp Blatter, the former Swiss Army colonel who is FIFA's general secretary, was at first "totally shocked at the procedure." But his office has backed off telling

the Americans how to run their affairs.

João Havelange, the FIFA president, happens to be in America right now for a meeting of the regional soccer confederation, discussing, among other things, his likely unopposed candidature for a sixth term of office. I wonder if Havelange will sign the pledge?

These are delicate times for Havelange, his family and the law. Ricardo Teixeira, Havelange's son-in-law is suing Pele, Brazil's former playing idol, over allega-tions of corruption at the Brazilian soccer federation - which Teixeira runs. And there are investigations into the financial affairs of Havelange.

No doubt soccer's great ruler will defend himself against those charges as vigorously as he states that, at 77, he is strong enough in body and mind to run the sport's world governing body for four more years. But this man who was courted by the White House to grant America the World Cup might bridle if obliged, on pain of exclusion, to sign away rights suddenly slipped

into the accreditation process.

WHAT IF we all refuse to endorse this legal blackmail? What if 500 players, 5,000 journalists, sponsors, agents, volunteers and referees, tell the FBI, and unnamed World Cup "agents." any dark secrets in our past are not their business?

I haven't made calls to 5,000 journalists, but those who have spoken about the waiver stand in line with George Freeman, assistant general counsel to The

Freeman shot off a lawyer-to-lawyer reposte to Alan I. Rothenberg, chairman of World Cup USA 94.

"We are all aghast at the inappropriateness of your request," wrote Freeman. "It strikes us as the grossest invasion of personal privacy of the journalists. Certainly to carry on their livelihood, members of the media should not be required to yield their civil

Freeman circulated his letter to attorneys of major U.S. news organizations. It spelled out that Times reporters were not hooligans, and had not been subjected to such outrageous conditions to cover any

No to Big Brother at '94 Cup' previous World Cup, any Olympic Games, any World Series, any Super Bowl.

The Boston Globe, USA Today and The Associated Press are among those reluctant to acquiesce. On the assumption that this is not just America's squable and anyone can join in. I add my two-cents work I began attending World Cups in 1974, in German, where there was justification for verting everyone coming to the tournament because two years previous. ly Palestinian terrorists had killed seven Israeli con-

petitors at the Munich Olympic Games. No right-thinking visitor could object to body and baggage searches. But not in Germany, not in Argent na (where a World Cup was held under military fuls not in Mexico. Spain or Italy did the authorities (to my knowledge) make a condition of accreditation the

handing over of supposed criminal records.

That makes five World Cups. I have also covered three Olympics, an Arab-Israeli war, and counties stories or major events on five continents. It takes America, land of the free, to presume to invade in privacy as a citizen of the world.

By late Tuesday, Rothenberg, usually punctifions is

any request, had not replied to the letter Freening any request, had not replied to the setter Freenant faxed and mailed on April 11. A World Cup press officer has implied that "the whole thing is under review." Meanwhile, the April 30 deadline nears for those expecting to be a part of the 25th World Cop.
Rothenberg must realize that Freeman is not just playing devil's advocate, and that there are editors if not reporters, in the United States who would no mind if USA 94 gave their papers good reason to ignore the World Cup.

HE WHOLE point of the exercise is to bring America into, as Rothenberg calls it, the FIFA Family. The two sides can only profit from each other soccer the most popular pursuit in the rest of the world. America home of communications, money instant appeal and, at last count, 16 million kids who

think soccer could be for them. No one out here thinks the sport will corrupt of harm them, though it just might rise to challenge (all-American giants of basketball, baseball, football and hockey. We are not missionaries, but we think the United States and soccer have something to offer one

another. From America we can learn how to present a some started 100 years ago in England. We can benefit from the concept of family entertainment while pursuing the prizes of sport.

And as long as we don't fall for the Nancy and Tonya ethic, we might even enjoy wrapping up spon in show biz. Italy did it with Carreras. Domingo and Pavarotti, and those three, heavyweights of music and devotees of soccer, are booked to perform in Chicago

Next day, accreditation permitting. Liza Minnell gets the show on the road for "the greatest World Cap history." Sometime around then I will look for Edgar Best

former FBI agent and now head of World Cup security.

If I get the chance, I shall remind him of a promise is: made to accredited journalists at the U.S. Cup last year. "We are not going to overpower this World Cap with excessive security," he said. "We plan a joyoik World Cup.

Rab Hughes is on the staff of The Times.

### Radio City Show to Close World Cup

mony on July 17, a 30-minute show executive, Alan Rothenberg. expected to be watched by the biggest audience in television history.

The World Cup, being staged in broken foot but scored three goals of the United States.

Sunday as Juventus of Turin routed The ceremony will take place be-

Bowl, in Pasadena, California. World Cup organizers said Monday that the show was expected to include "a performance by a worldclass star, hundreds of children, the

24 participating countries, the World Cup trophy unveiling and They said the star would be an-

nounced "shortly."
The World Cup final, historically the world's most widely-watched television event, is expected to attract an estimated 2 billion viewers in more than 180 countries.

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CALVIN AND HOBBES ANY WAY CHARLIE, I'M SORRY

WE COULDN'T GO OUT TONIGH BUT THIS LITTLE CREEP'S

PARENTS ARE SO DESPERAT

TO SET AND FROM HIM ONCE IN A WHILE THAT THEY...

"The close of World Cup '94 will in Italy's 2-1 loss to Germany in a NEW YORK — Radio City Music Hall Productions will produce the 1994 World Cup closing cerethe 1994 World Cup closing cereCup USA 1994 chairman and chief appearances for the Azzurri, was appearanc

opens on June 17 in Chicago. Ger- Lazio of Rome, 6-1. fore the World Cup final in the Rose many, the defending champion, some unimpressive performances plays Bolivia in that game.

> ■ 3 Cut From Italian Team Italy has dropped 3 players — GianLuca Vialli, GianLuigi Lentini and Roberto Mancini - from its national team as Coach Arrigo Sacchi cut the roster to 31. The New York Times reported.

Vialli and Lentini, just recovered from serious injuries, were considered out of shape for the World Cup. Mancini was dropped following a poor performance last month

GET OFF ME CALVIN, YOU PEST! ON! LET GO!

STUPENDOUS MAY HAS THE

V WITTION SINGUIN ON

sidelined for several weeks with a

as he returned to action last month after recovering from a near-fatal highway crash in August. ■ New Bastia Stadium Plàn The Furiani stadium in Corsica.

scene of a soccer tragedy two years ago in which 15 people died aftera temporary stand collapsed, is to be rebuilt this year. Reuters reported The French sports minister, Michèle Alliot-Marie, said on Tuesday that an 8,700-seat stadium

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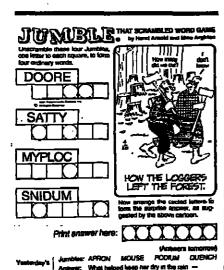
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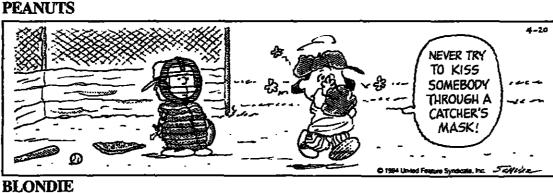
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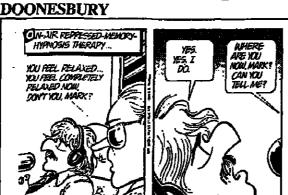
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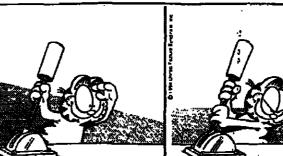


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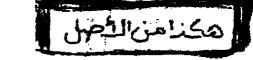


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# SPORTS Flames and Wings

# See Home-Ice Edge Melt in Early Losses

The Calgary Flames and Detroit Red Wings played 84 games for the home-ice advantage in the National Hockey League playoffs and lost

al rockey League playous and lost it in one night.
"We really got beaten badly," said the Calgary defensemen Al MacInnis after a 5-0 home-ic loss to Vancouver in the opener of their Western Conference series Monday night. "We've got to play harder and smarter.

Calgary, the Pacific Division winner, was not the only surprise home-ice loser Monday night as

#### STANLEY CUP PLAYOFFS

San Jose won at Detroit, 5-4. The Central Division-leading Red Wings had the best record in the

The defending Stanley Cup champion Montreal Canadiens, meanwhile, won at Boston, 3-2, to even their series at a game apiece. Elsewhere, the New York Rangers routed the New York Islanders,

6-0, and Toronto beat Chicago 5-1. Vancouver's Kirk McLean stopped 31 shots as the Canucks pat the Flames.

Trevor Linden, Geoff Courtnall, Cliff Ronning, Jeff Brown and Dave Babych scored as the Canucks, who finished 12 points behind the Flames, added to Calgary's playoff nightmare.

The Flames have not won a playoff series since their 1989 Stanley Cup championship.

"We've got a good team," McLean said. "We've had an upand-down season. We really didn't play to our potential. If we play a good solid two-way game, we can skate with the best of them. Whether we frustrated Calgary tonight or they were a little flat, I really don't

Sharks 5, Red Wings 4: Vlastimil Kroupa's goal at 15:36 of the third period made San Jose's playoff debut a success. It was also the first time San Jose has won in Detroit. The Sharks, in the franchise's third year, jumped to a 3-0 first-

period lead, including Shawn Cronin's first NHL goal in more The Red Wings, who scored 104 the season, scored twice in the sec-ond period to close the gap to 3-2. The teams were tied at 3-3 and 4-4 before Kroupa, on a feed from Todd Elik, wristed a shot under the glove of Bob Essensa for the win-

"We don't look at it as history," Gaetan Duchesne said of San Jose's postseason debut, "When we stepped on the ice, it was hockey. History wasn't going to get us a win. We had to work for it."

Rangers 6, Islanders 0: In New York, the Rangers and Mike Richter played a virtual carbon copy of Game 1. Richter turned in his second straight shutout and the Rangers scored four second-period goals to blank the Islanders. On Sunday, the Rangers also routed the Island-

Richter, who kept the Rangers in the game early, when they were outshot, 13-1, recorded his fourth playoff shutout.

The four-of-seven-game series moves to Long Island for Games 3 and 4 Thursday and Sunday.

Canadiens 3, Bruins 2: In Boston, Paul Dipietro and Kirk Muller had third-period goals and Patrick Roy made 40 saves as Montreal rallied to victory. The Canadiens trailed, 2-1, en-

tering the third period, but Dipietro scored on a wrist shot from the faceoff circle just 18 seconds into the period on a power play. Then, with 4:32 gone in the period, Muller completed a three-on-two break with his second goal of the game.

"We were burned last time on our penalty killing and we had to adjust to that," said the Montreal coach, Jacques Demers, "Our penalty killers were a lot more aggressive then they were the other night. We needed play from our special teams and we got it."
The series shifts to Montreal for

Maple Leafs 5, Blackhawks 1: The Maple Leafs solved the Chicago goaltender, Ed Belfour, early as Wendel Clark, Doug Gilmour, Kent Manderville, Jamie Macoun and Dave Andreychuk scored in the first 27 minutes in Toronto.

games on Thursday and Saturday.

Chris Chelios scored Chicago's only goal in the third period. Game 2 of the series is Wednes-



Chicago's Toni Kukoc snared a rebound over Scottie Pippen and the Hawks' Danny Manning.

The Bulls Earn Some Breathing Space

one-half game back — and have a road game

at Miami and a home meeting with Orlando.

stretch of five games in six days, the Bulls

need to take it easy. Scottie Pippen, slowed

NBA HIGHLIGHTS

by a thigh bruise, and some of the other regulars were tired Monday, and the starting

center, Luc Longley, sat out with a sore knee. Steve Kerr and Toni Kukoc came off the

bench to give the team the boost it needed.

win, we can't catch Atlanta. Now we have a

great chance to win the conference. We win the

last two games, we will be in great shape."
Warriors 134, Clippers 131: Keith Jennings

sank six free throws in the final 1:16 of

"It was a huge win," Kerr said. "If we don't

With 11 victories in 12 games and after a

### He Conquered Greece, But Failed to Win Europe

tional Herald Tribane

TEL AVIV - The basketball game got away from Nikos Galis as if each point were a year lost, never to be reclaimed. He was trailing by 8. The scoreboard is a mirror for winners and losers alike. Only a few seconds re-mained, and as he glanced away he could hear each last one ticking off in his head.

His team, Panathinaikos of Greece, was going to lose its semifinal Tuesday night in the European Final Four to a rival domestic club, Olympiakos Piraeus, by a score of 71-72. The championship will be decided Thursday night against Joventut Badalona, the 79-65 winner Tuesday over Barcelona in a semifinal of Spanish clubs.

A Greek team will be involved in the final for the first time. Galis is the player most responsible for the ascendance of the game in his parents' native country. He is 36, which is to say he might soon retire without having won this championship, like a marathoner collapsing within sight of the finish.

"I wanted something definite," he was explaining recently. This is a story he has told three dozen. four dozen times for each year in his career. It is for lack of

overtime, and Chris Mullin scored 32 points

as visiting Golden State tied a season high

Billy Owens and Chris Webber each added

Dominique Wilkins led Los Angeles with

Suns 106, Mayericks 97: In Dallas, Charles

37 points and became the ninth player in

NBA history to score 24,000 career points.

Barkley scored 28 points, including four

straight that locked up the victory late in the

game, and Phoenix tied San Antonio for

third-best record in the Western Conference.

The Suns, who have three games remain-

ing hold the tiebreaker edge over the Spurs

because they won the season series, 3-1.

25 points for the Warriors, who are 17 games

over .500 for the first time since the end of the

with its sixth straight victory.

He was a guard trying to make the National Basketball Association's Boston Celtics in 1979, a rookie from Seton Hall, and the son of Greek parents who raised him in New Jersey. Representa-tives of two Greek chubs came to Boston to recruit him. The offer from the first club fell through, but the second offer, from Aris Salonika, felt stable in ways he

still cannot explain. "Bill Fitch, who was coach of the Celtics then, wanted me to stay for the exhibition games,"
Galis said. "He was telling me how much he liked me, how strong I was, but the offer was hetter here. Something inside me told me to take this offer."

An offer to stay for the exhibition games, as opposed to the NBA regular season, is nothing like a promise. A competing offer to play overseas, in a country he had never visited, might have seemed like a terrific risk. He was told that basketball was growing in Greece, that he would be the big star in an arena large enough to hold 5,000 people.

"When I first came, I was surprised that the gym really could hold 5,000 people like they said," Galis said. What they hadn't said was that everyone had to stand. There were no seats. With his first step, he realized the court was made of pebbled rubber.

From the first season, he said, the games against city-rival PAOK would fill the gymnasium. Most of the others might entertain only 1,000 spectators, if that. In those days, three of his teammates might be under or-ders to play defense only, with no thought of scoring. He didn't trust a lot of them with possession. Better that he keep it. The team was designed for him to score at least half of the points.

He had wanted something definite, and in time he could see the game catching up with him — the gymnasiums growing new seats, the players growing taller around him, better players. One year, he came back for the new season and the rubber floor had been turned into wood. The growth only increased after he

led Greece to the European Championship in 1987. "It was like a great wave of support," he said. "The country came all together like one big fist. You could see all the gyms that used to be empty were becoming full, and the parks outside were full of kids playing basketball. It reminded me of when I was in the States, and I would travel outside my neighborhood to the different playgrounds looking for good competition. It's starting to be that way in Greece, too. You need it to be that way."

He might have viewed the warmups Tuesday night as his farewell party. The best Europe-an basketball league is in Greece, and the proof was in these two Greek teams and their fans' chanting harmlessly at each other across the arena. The game had grown enough for the small club of Panathinaikos - the club whose initial offer to Galis a decade earlier had fallen through - to purchase his expensive con-

The game had grown to accommodate three from Jordan's planet - Galis's teammate, Alexander Volkov, the former Atlanta Hawk, and two gigantic opponents, Roy Tarpley, the former NBA All-Star, and Zarko Pasnali, who tried the NBA once and at 28 talks of trying again.

On Tuesday, Galis found himself with George Sigalas, a taller, 22-year-old defender, following him everywhere, an arm always around Galis's back, as if trying to prop him up. Of course it was nothing like that. Galis was held to 8 points and just 9 shots. His erratic starting center, Stojko Vrankovic, was in foul trouble constantly. Paspalj (22 points) and Tarpley (21) took control, and Volkov (32) found himself ontnumbered. He was able to reduce a 55-41 deficit to 3 points with 6 minutes remaining, an intersection in the game that used to belong to Galis. He could not seize it Tuesday.

No sooner had the clock reached stop than photographers were swarming the court and the bigger players were heading for the door and among them he seemed to vanish.

гу

#### goals more than the Sharks during day night at Maple Leaf Gardens.

SCOREBOARD BASKETBALL

**NBA Standings** 

EASTERN CONFERENCE x-New Jersey x-Attanta x-Chicago STERN CONFERENCE

Attente 5 (Bioylock 4), Chicago 25

Assists Attente 15 (Bioylock 4), Chicago 26

Assists Attente 15 (Bioylock 4), Chicago 26

BASEBALL Major League Standings AMERICAN LEAGUE

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Anterez, Dez-en (7), Cook (9) and Korko-vice: Darwin, Triticek (7), Fossas (8) and Rowland, W—Alvarez, 3-8, L—Darwin, 2-1, HRS--Chicose, Roines 3 (5), Thomas (6), Kassas City 611 860 192-11 12 8 Defroit 910 860 860—1 7 2 Gordon, Bellinda (8) and Macfariane; Do-harty, S.Davis (1), Boever (4), Hennemon (9) and Kreuter, W—Gordon, 1-1, L—Doherty, 1-2, and Kreuter.W—Gordon, 1-1.1.—Dohe HR—Kansas City, Gootti (1). NATIONAL LEAGUE

NATIONAL LEAGUE

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Atlante

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Sotcliffe, Urbani (3), Murshry (7), R.Rodrisuez (8) and Poepas; Avery, Bedruslan (7),
Bleicki (3), Wohlers (9) and J.Lopez, W.—Avery, 1-0, L.—Suicliffe, 1-1, HRS—Affanto,
Kleska (5), McGriff (4), Justice (2),
Los Aspeles

800 100 300—4 9 1
Philadelphia 111 000 161—5 14 8
R.Marriinez, Gott (7), Wovne (9) and Doutlon,
W.—D. Jones, 1-0, L.—Woyne, 0-2, HR.—LA, Piozza (2),
Florida

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Tingley; Gr.Harris, B.Ruffin (8), Biolir (8),

Holmas (9), Magre (9) and Girardi, W.—A.

quino, 1-0. L.—Holmes, 0-2. Sv.—Harvey (4),

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(6), Ge.Harris (8), Hoffman (9) and Autmus,

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Montreal 89 88 810 88—1 13 1

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(7) Isalegs)

P.J.Martinez, Shaw (8), Scott (10) and Spein,

Fletcher (11); Hickerson, Burbo (7), Monte
tone (6), Ropers (8), McJackson (18) and Man
woring, Je.Reed (11), W.—M.Jackson, 1-0.

L.—Scott, 6-1, HR.—San Francisco, Bonds (5).

The Michael Jordan Watch MONDAY'S GAME: Jordon went 1-for-3. MONDAY'S GAME: Jordan went 1-ter-2 extending his hitting streak to six gomes, and some his first run.

Jordan caught the only two fly boils hit to him in right field.

SEASON TO DATE: Jordan is 8-for-26 and is botting 308. He is errorless in 13 chances.

Japanese Leagues .500 .500 .444 .375

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CRICKET AUSTRALASIA CUP/SHARJAH ONE-DAY
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ist leatings. Servificed
Tuesday, jo Shorioh, U.A.E.
Australic: 2449 (30 overs)
Indig: 2453 (454 overs)

HOCKEY Monday's Playoff Games

Rangers lead series 20
First period—1, N.Y. Rongers. Kovolev 2
(Laetch), 5:41. Penatilise—Anderson. NYR
(roughing), 2:44; Welts, NYR (Imberierence), 7:26; Kasparratts, NYI (Imberierence), 11:58; Kasparratts, NYI (roughing), 13:57; Larmer, NYR (Inciding stick), 18:80. rs lead series 24 NYR (holding stick), 18:90. Second period—2, N.Y. Rongers, M.Messier 2 (Anderson), 18. J. N.Y. Rongers, Lowe 1 (Kavalev, Larmer), 1:38, 4, N.Y. Rongers, MacTavish 1 (Noonar, Tikkanen), 12:29, 5.

N.Y. Rangers. Matteau. 1 (Karpovisev. Mac. Tovish), 17:06. Penalties—Dateanne. NYI (notishin), 1:38; Matteau. NYR, double minor (spectring), 1:38; Tilkidnen. NYR (holding), 14:35.
Tilkird speriod—6, NYI (notishen), 14:35.
Tilkird speriod—6, NY, Rangers. Monana! (Kovalev, Graves), 4:23 (pp). Penalties—Kosnaraids. NYR (holding), 15:43; Acton. NYR (holding), 18:43; Sales an gool—NY (strains), 18:29.
Shots an gool—NY (strains), 18:29.
S

The Chicago Bulls can put their feet up and

watch some television over the next few days.

They have earned the rest after positioning themselves as best they can for the best re-

cord in the East and homecourt advantage

throughout the conference playoffs.

"We get to sit back and watch," Coach Phil
Jackson said after his team squandered a 22-

point lead, but still beat the Hawks, 87-70. on

Monday to move within a half game of Atlan-

ta. "We will be able to get some legs back and

The Bulls do not play again until Friday, when they are host to Boston. After that

comes a home game against the New York

Knicks on Sunday in the season finale.

The Hawks, meanwhile, must play at New York on Tuesday night — the Knicks are also

get some strength for the stretch."

Series fied 1.1
First period—1, Montreal, Muller I (Hotier, Bellows), 4;42 (pp), Penalties—Huscrott, Bos. mojor (Rishting), 3;24; Odejein, Mon. mojor (Rishting), 3;24; Smolinski, Bos (cross-checking), 3;24; Wesley, Bos (hoksling), 7:14; Corbonneou, Mon (Alsh-sticking), 10;35; Dolinsout, Mon (slashing), 11:02; Wesley, Bos (slashing), 11:02; Holler, Mon. mojor-grame misconduct (high-sticking), 11:22; Hughes, Bos (tooking), 16:27.
Second period—2, Boston, Sweeney I (Leoch, Smolinski), 16:27.

Misconauca Marine Misconauca Marine M

Second period—1, Son Jose, Cronint 1 (Folloon, Brity), 12:35. 2, Son Jose, Lartentev 1 (Garperly), 12:35. 2, Son Jose, Lartentev 1 (Garperly), 12:35. 2, Son Jose, Lartentev 1 (Garperly), 12:35. 2, Son Jose, Makarav 1 (Norton, Lartentev), 17:00 (se), Periotities—Cellinos, 18:40, Probert 1, 17:10, 19:40, Probert 1, 17:10, 19:40, Probert 1, 17:40, Periotities—Bolary, 19:41, Probert 1, 17:41, Penaltites—Bolary, 19:41, Penaltites—Bolary, 19:42, 2 (ps), 5, Detroll, Kennedy 1 (McCarty, Probert), 17:41, Penaltites—Bolary, 19:51, 19:40, Proberti, McCarty, 1(Chiesani), 13:51, 19:40, 19:

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by Cunneyworth (roughins), 19:56.
Taird period—6, Chicago, Chelics 1 (Gro-hom, Suter), 3:17 (pp). Penalties—Eastwood.

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Michigan's 'Fab Five' Reduced to 2

ANN ARBOR, Michigan (AP) — Jalen Rose became the third member of Michigan's vannted "Fab Five" to leave school early, announcing Tuesday that he would skip his senior year to play professional basketball.

"I've been thinking about doing this for all my life," Rose, a point guard, said at a news conference. "Now is the chance I have to do it. I'm going to make the most of it."

Another member of the Fab Five, center Juwan Howard, announced Monday that he too would bypass his senior season to play in the National Basketball Association. With the departure of Rose and Howard, only Jimmy King and Ray Jackson now remain from the allfreshmen lineup that started for Michigan in the NCAA championship games in 1992 and 1993. The Wolverines lost the title game to Duke in 1992 and North Carolina in 1993. Chris Webber, the other member of the group, was the top pick in last year's NBA draft. Michigan was eliminated in the Midwest Regional final by Arkansas this season.

Yamaha Extends Its Whitbread Lead

SOUTHAMPTON, England (AP) - Yamaha opened up a lead of 210 nautical miles Tuesday over its pearest Whitbread 60 rival on the fifth leg

of the Whitbread Round the World Race. The Japanese-New Zealand yacht stretched its lead over the European entry Intrum Justitia by 21 miles (34 kilometers) over the past 24 hours. Yamaha also widened its advantage to 131 miles over the leading Maxiclass boat, Switzerland's Merit Cup. Yamaha was reported 1,266 miles from the leg's finish in Fort Landerdale, Florida.

Bonn (Reuters) — Bayern Munich is close to concluding a deal with

the coach of Juventus, Giovanni Trapattoni, one of Europe's most successful soccer coaches, the German club siad Tuesday.

Officials at Bayern, presently coached by Franz Beckenbauer, said they

had talked to Trapattoni, 55, in Italy on Monday and made him an offer. "Trapattoni is very interested and we expect to hear his decision within the next two to three weeks," said a Bayern official, Markus Hoerwick. Trapattoni, who was expected to leave Juventus at the end of the season, is believed to be refuctant to announce his final decision until the end of the Italian season on May 1. He won six Italian league titles with Juventus and one with Internazionale in 1989.

For the Record

Zack Patilla of the United States retained his WBO junior welter-weight title on Monday in Rotterdam when his compatriot Harold Miller resigned in the sixth round of their scheduled 12-round bout. (Reuters) Pelé, 53, the former Brazilian soccer star, on Tuesday became the first athlete to be named a goodwill ambassador for UNESCO.

(Continued From Page 15)

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By Russell Baker N EW YORK —There seems to be a controversy about Generation X. Some people of an age to qualify as Generation Xers say there isn't any such thing, it's all a lot of magazine editor's hooey, also book editor's gaseous effusion.

Whether these others consist solely of magazine and book editors I cannot say, as this is the kind of subject that sends me hurrying to bed the minute Ted Koppel and Charlie Rose tip their hands about the forthcoming theme of the

It does, however, offer an excuse to air one of my favorite gripes; to wit, isn't it time to hang up the generations? Dividing people into generations can help a reader of the Old Testament keep track of the story, but who needs to distinguish. say, the beat generation from the

Once the Old Testament was over the whole generation idea withered away, and stayed away until the 1920s, when Gertrude Stein may or may not have said to Emest Hemingway or Scott Fitzgerald, though not Calvin Coolidge, "You are all a lost generation."

Well! Who wouldn't want to be part of a lost generation? You are sitting around Paris, age 23 or so. don't know beans about anything except being young and how trag-ical it is to be young, and having a picnic day and night, maybe even speaking a little French to the natives, then going skiing in the Alps and pub-crawling on the Rivi-

Until Miss Stein pronounces you lost-generation material you've probably been thinking you're just another idle youth trying to pump a little beauty and romance into memory before going back to America for a life of consumer goods and insurance.

Now, though. "lost generation." says Gertrude Stein. Suddenly you're somebody. "Somebody. Charlie!" as Brando says to Rod Steiger in the back of the taxi. You're a Somebody: lost with a whole sad, lost generation.

You aren't like your dreary old parents who were born back in the 1880s or 1870s and didn't have any generation at all to feel part of. It's

ludicrous trying to think of those poor old crocks trying to claim generational character. What could they possibly be? The camphor-ball

**OBSERVER** 

The Last Generation?

generation maybe.

It sounds right for them: camphor balls. All right, maybe you don't know what camphor balls are. When you belong to the lost generation you can't take time off from tragedy to investigate cam-

Next thing you know, lost-generation time is up, and it's Depression-generation time. Actually, it didn't happen that fast. Depression-generation people didn't know they were Depression-generation people until well into the 1950s. when everybody else started laughing at them every time they bent down to pick up a lost penny.

Depression-generation people quickly turned into war-generation people. Then came the silent gener-

Then, the beat generation. Then, hippies.

Then, generational warfare! We had a generation gap. Parents too young to have qualified for romantic lost-generation status suddenly heard themselves denounced by the first generation ever driven by high moral aspiration, contempt for money-grubbing devotion to peace and belief in love and the fuller head of hair.

Yes, it was '60s-generation time. People who were sour about having missed the lost generation and short-tempered because they hadn't known they were the Depression generation until it was too late to milk it for lots of pity—these miserable people now had to listen to dinnertime lectures from unwrinkled youth about the moral superiority of the '60s generation.

Here came the Yuppies: BMWs, condos, fear of cholesterol, smokophobia, weekend quality time with the child. The "Me Generation," Tom Wolfe called it.

The quality-time kids of the Me Generation seem to have grown into the people whom editors are now trying to herd into Generation X. None of it makes sense, or ever did from the time Gertrude Stein started the whole thing. Let's plead generation fatigue and hurry off to bed with a good book, not Hemingway.

New York Times Service

### **Peeling Away Layers** Of 'Invisible Man'

By Charles Johnson

Washington Past Service
WASHINGTON — "What on earth
was hiding behind the face of things?" the Everyman narrator of "Invisi-ble Man" asks himself in Ralph Ellison's perennial masterpiece. His unique dilem-ma, and ours, is the formidable task of freeing himself from the blinding social illusions that render races and individuals invisible to each other.

Only after a harrowing, roller-coaster ride of betrayals and revelations above and below America's 20th-century intellectual landscape does he achieve the liberating discovery that, for all the ideologies we impose upon experience, we cannot escape the chaos, the mysterious, untarned life that churns beneath official history, the "seen."

and ensures the triumph of the imagination.

By any measure, "Invisible Man" — the one great work of Ellison, who died Saturday at age 80 — is the most complex, multilayered and challenging novel about race and being and the preservation of democratic ideals in American literature.

Fellow writers read Ellison with awe and gratitude. Some, of course, read him with jealousy, because everything one could want in a novel is here: humor, suspense, black history (that is, American history) from which Ellison's mexhaustible imagination teases forth truth from beneath mere facts, fugue-like prose, meditations on the nature of perception, and a rogues' gallery of characters so essentially drawn that in their naked humanity we can recognize their spirits in our contemporaries 42 years after the book's publication.

Added to that, and perhaps most impressive of all, Ellison's expansive rite-of-passage is the very idea of artistic generosity. Its exuberant, Hegelian movements gracefully blend diverse literary genres and traditions, from Mark Twain to William Faulkner, from the slave narrative to the surrealistic Kafkaesque parable, from black folklore to Freud, forever forcing us to see in the novel's technique the spirit of democracy. Spanning South and North, it traces the comic progress of a nameless black student from a state college aswim in the contradictions of Booker T. Washington's reliance on white philanthropy, to New York, where Marxists and black national-

ists are engaged in a Harlem turf war. And, as if this were not enough, Elison gave our age a new metaphor for social alienation. His definition of "invisibility" is so common now, so much a part of the culture and language — like a coin handled by billions — that it is automatically of American blacks, and for any social

group we willingly refuse to see.
In the late 1960s when I was a college student and came of age in an anti-intellertual climate thick with separatist arguments for the necessity of a "black aesthetic," when both Ellison and poet Robert Hayden were snubbed by those under the spell of black cultural nationalism, and when so many black critics denied the idea of "miversality" in literature and life, I stumbled upon "Invisible Man" and spent three memorable nights not so much reading as dreaming, absorbing and being altered by his remarkable adventure of ideas and artis-tic possibility, though I knew—at age 20— I was missing far more than I grasped.

But each time I returned to Ellison's book, teaching the novel many times over years, I found new imaginative and intellectual portals to enter, more layers of meaning to peel away.

Despite his groundbreaking achievements, the awards with which he was showered when "Invisible Man" was published, and the direction his work gave to a generation of black writers who came of age in the 1960s. Ellison's novel has often presented too severe an intellectual and moral challenge for readers reluctant to abandon simplistic formulas about race in America.

Indeed, his book once inspired rage. In his 1952 review, writer John Oliver Killens said, "The Negro people need Ralph Elli-son's 'Invisible Man' like we need a hole in the head or a stab in the back. . . . It is a vicious distortion of Negro life." Equally ritical was Amiri Baraka, who dismissed Ellison as a middle-class Negro for his insistence that mastery of literary craft must take priority over politics in a writer's apprenticeship. For Ellison that apprenticeship included T. S. Eliot as well as Langston than the provided that t Hughes, Pound and Hemingway, alongside Richard Wright, Gertrude Stein and Dostoyevski together with the blues.

Fortunately, "Invisible Man" also can be enjoyed on the level of rousing entertainment, as a thrilling odyssey that follows a naive but ambitious young man through an entire universe of unforgettable characters and events.

As might be expected, appreciating the achievement of Ellison's fiction inevitably means taking seriously both the singular aesthetic position that makes it possible and his notion of the Negro's crucial role in the Unitted States's evolution, an understanding shared by most of our elders born early in the century.

Hoping to create "a fiction which, leav-



Ralph Ellison's classic work, published in 1952, was five years in the making.

ing sociology to the scientists, arrived at the truth about the human condition, here and now, with all the bright magic of a fairy tale," Ellison devoted five years to the novel's execution. His theory led him into lasting insights, edging him toward a way to sing the unseen so often in the novel that even his casual asides cannot be ignored, as when Invisible Man thinks of his literature class, where he studied James

Joyce, and his teacher observes: "Stephen's problem like ours, was not actually one of creating the uncreated conscience of his race, but of creating the uncreated features of his face. Our task is that of making ourselves individuals. The conscience of a race is the gift of its individuals who see, evaluate, record. . . . We create the race by creating ourselves and then to our great astonishment we will have created something far more important: We will have created a culture. Why waste time creating a conscience for something that doesn't exist? For, you see, blood and skin

do not think!" Because no author could hope for more than to work in this wonderful, Ellisonesque spirit of inclusion, I dedicated my acceptance speech for the National Book

Award in fiction to Ralph Ellison when my third novel, "Middle Passage," won this prize in 1990. It seemed to me the very least I could do in the presence of an elder who forged a place in American culture for the possibility of the fiction I dreamed of writing. For a man who, when the global list of the most valuable authors of the 20th century is finally composed, will be among those at the pinnacle.

Charles Johnson, author of "Middle Pas-sage" and winner of the 1990 National Book Award in fiction, wrote this for The Washing-

#### **PEOPLE**

Roseanne Asks Divorce. Says She Was Abused

Roseanne Arnold has filed for divorce and obtained a restraining order against her husband, Ton claiming that the man who shared her headline-grabbing antics had physically abused her. The filing came three days after an argument crupted between the Arnolds on the set of "Roseanne," her highly rated TV show, reportedly over a woman who had taken part with the couple in a mock three-way marriage. Roseanne Arnold fired her husband as the show's executive producer, cut up his credit cards and dashed off to Europe without him, a source close to the couple said. The two were married on Jan 20, 1990. They've made news by flashing their tattooel rears at a baseball game, posing for racy photos and squabbling with television networks.

Arsenio Hall is quitting his fading TV talk show, which has fallen victim in ratings to his late-night com-petitors. David Letterman and Jay Leno. "The Arsenio Hall Show" will make its final broadcast on May 27, The show, which first aired on Jan. 3, 1989, made Hall the first successful black late-night talk show host

The author of "Cranes' Mon-ing," first published in India and released in January in the United States, plagiarized a 1956 book, her publisher has conceded. The author, Indrani Aikath-Gyaltsen, apparently lifted material from "The Rosemary Tree" by Elizabeth Goodse according to a spokeswoman for Ballantine Books of New York Aikath-Gyaltsen died last year at 41. Goudge died in 1984 at age 84.

The photographer Oliviero Tos-cani, whose advertisements for Sashion firm Benetton have shocked millions, has resigned in a shocked multions, has resigned in a dispute over the Italian clothing company's new magazine. Toscam said he had resigned in protest of the managing director Aldo Pameri's handling of the magazine, Colors. Palmeri said he would replace Toscani with his 26-year-old daughter, "who can take pictures."

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#### **WEATHER**

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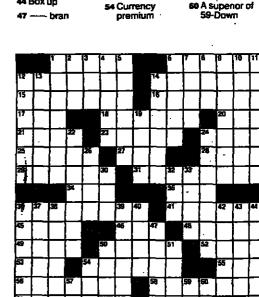
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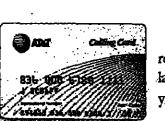
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